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foreign trade

CANADA

WEST GERMANY NEEDS WOOD PULP (page two) 2-5

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cover This mountain of wood chips in a Canadian mill will soon be going into wood pulp for export to many countries. Among the promising European markets, particularly for sulphite and sulphate pulps, is West Germany; Canada ranks with Scandinavia and the United States as a leading supplier. For further details, see the article on page two.

—Photo by Malak.

CANADA

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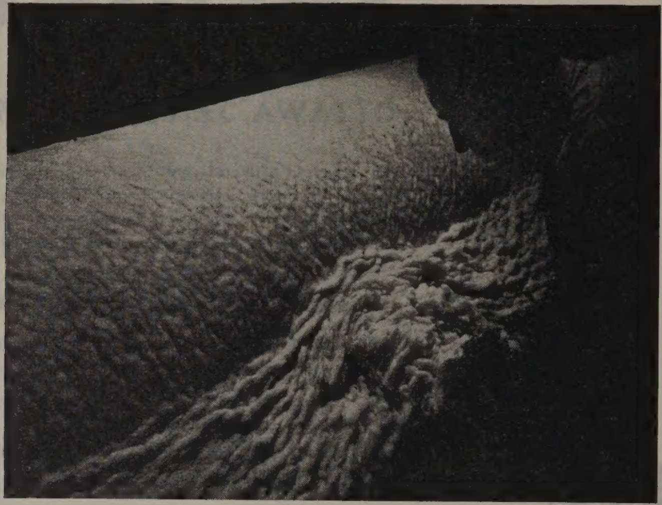
West Germany Needs Wood Pulp



Booming German paper and paper-products industry demands more wood pulp than local mills can supply. Lack of suitable pulpwood and plants to process it assures market for foreign supplies. Competition for Canadians promises to be stiff.

J. M. T. THOMAS, *Vice Consul and Assistant Trade Commissioner, Hamburg.*

SINCE the end of the war, the Federal Republic of Germany has become an increasingly important consumer of foreign-made wood pulp. Demand has grown rapidly, particularly since 1950, and German production has not been able to keep pace with the burgeoning domestic paper and paper-products industry. Although Scandinavia has the lion's share of German business, imports from the United States have increased remarkably in the past two or three years. Prospects of a prosperous West Germany becoming an even bigger user of pulp are good. Present per capita consumption of paper is only 140 pounds a year, compared with the U.S. 412 pounds; obviously, this means room for growth. Canada, which in 1951 was the third most important supplier to this market, has not been able to maintain its position in recent years.

What Imports Are Needed

In 1937, Germany was practically self-sufficient in wood pulp but in 1950, she turned out only 80.6 per cent of her needs. Despite considerable growth in output in the years that followed, consumption increased by nearly 50 per cent so that by 1957, local production met only 67.3 per cent of the industry's needs. High cost of production, lack of specialized technical development, and not enough of the right kind of wood for certain types of pulp—these seem to be the principal factors that force Germany to depend on other countries for so much of its wood pulp.

Some types of pulp common to the North American market are unknown in Germany. There is, for example, no production or consumption of soda, semi-chemical or defibrated pulp. On the other hand, a good deal of mechanical pulp is used and this is supplied almost entirely by German mills. Chemical wood pulp presents yet another picture: nearly half of it must be imported. In fact, all of the sulphate pulp used by German industry is bought abroad. Lack of an adequate wood supply hampered the production of sulphate pulp before the war. Now, none of it is made domestically.

The German pulp industry is concentrated along the Rhine and in neighbouring river valleys that offer power sites and a good wood supply. However, Germans pay more for wood and power than foreign suppliers, especially Scandinavian and Austrian, do. It is estimated that in some cases pulp produced here costs up to 30 per cent more than the imported product.

Scandinavian Output Expands

Wood pulp prices have been falling over the past year and it is generally felt that this is due, in part, to the inability of the United States to absorb the bigger output from Scandinavia. The price slump should be only temporary because European production has continued to rise and an upsurge in U.S. business is apparent.

Scandinavian pulp is usually offered C.I.F. North Sea German port, documents against payment. In some cases Scandinavian producers hold stocks on consign-

IMPORTS OF WOOD PULP INTO WEST GERMANY

	1951	1953	1956	1957
		('000 DM)		
Mechanical Wood Pulp				
Total	5,495	4,761	7,618	8,492
Norway	1,470	2,962	4,934	4,236
Sweden	2,021	882	1,448	3,000
Austria	535	417		658
Finland	1,446	416	210	213
Chemical Wood Pulp				
Total	103,849	169,995	305,418	351,823
Sweden	51,655	103,941	147,966	165,132
Finland	23,491	24,377	56,925	54,106
United States	6,920	6,452	35,020	53,447
Canada	11,308	3,913	7,227	6,986
Australia	7,747	12,576	34,863	37,837

ment in Hamburg or near the paper-production centres in middle and southern Germany. It has been reported recently that some U.S. producers are offering pulp on 90-day sight drafts without interest charges. In the past, pulp was handled by import traders, but today most Scandinavian producers employ their own agents who collect a 1 per cent commission on turnover.

What North America Supplies

The principal sources of supply in recent years are shown in the accompanying table. Scandinavian strength is evident over-all, though the chemical pulp figures reveal that the pattern is by no means uniform. The United States has made particularly good progress in marketing bleached sulphate pulp and dissolving special chemical pulp. It is in these two types that import growth has been most rapid and future prospects are brightest, particularly for North America.

In 1951, Canada was the third biggest supplier of pulp to the German market, principally of sulphite. Since then, Canadian sulphite sales have declined considerably. However, sulphite pulp is itself losing ground in the German market; the unbleached variety in particular is slowly being replaced by semi-bleached sulphate. Many importers feel that North America is in a good position to benefit from this change in demand because North American sulphate is made from long-fibred wood and has more resistance to tearing than the Scandinavian product.

U.S. Gains Ground

Dissolving special chemical pulp is imported principally from the United States, which has become the chief supplier. U.S. gains in this field contrast sharply with Canadian losses: in 1951, only Sweden was a more important supplier, but today Canada barely appears in the import statistics. Many German importers feel that the United States will continue to dominate this

WEST GERMAN CHEMICAL PULP IMPORTS BY TYPE

SULPHATE	1951	1953	1956	1957
		('000 DM)		
***Unbleached, bleached and semi-bleached**				
Total	48,928	82,123	182,104	176,591
Sweden	23,595	59,625		
Finland	15,856	17,832		
Austria	2,003	1,488		
United States	3,517			
Canada	3,494	339		
Unbleached				
Total			87,054	80,493
Sweden			47,005	44,841
Finland			27,689	25,660
Austria			9,718	6,923
United States			562	1,633
Canada			694	690
Bleached and semi-bleached				
Total			95,050	96,098
Sweden			44,608	46,475
United States			26,867	21,166
Finland			16,510	19,238
Canada			5,273	4,581

SULPHITE	1951	1953	1956	1957
		('000 DM)		
***Unbleached and bleached**				
Total	34,492	42,772	76,770	98,748
Sweden	15,349	23,168		
Norway	801	7,688		
Austria	4,427	5,367		
Finland	5,878	4,553		
Canada	4,514	1,642		
United States	2,820			
Unbleached				
Total			28,491	36,808
Sweden			18,597	22,851
Austria			4,800	5,581
Finland			3,441	4,681
Bleached				
Total			48,279	61,940
Sweden			22,970	32,020
Norway			9,709	10,776
Austria			8,176	8,342
Finland			2,572	4,527
Canada			1,082	1,580
United States			1,086	1,238

DISSOLVING AND SPECIAL ALPHA GRADES PULP

	1951	1953	1956	1957
		('000 DM)		
Total	20,429	45,100	46,544	76,484
United States	583	6,452	6,505	29,365
Sweden	12,711	21,148	14,786	18,945
Austria	1,317	5,721	12,169	16,991
Norway	761	7,855	6,114	6,330
Canada	3,300	1,932	178	135
Finland	1,257	1,992	6,713	

*Breakdown not available in 1951 and 1953.

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corner of the market because of her mass production and technological refinements.

Effect of Free Trade Area

What of the future? Both pulp importers and pulp and paper producers feel that German dependence on imported pulp will continue and perhaps increase. An unknown in the problem is the proposed Free Trade Area which would include Scandinavia. There is considerable disagreement about what the effect of the Free Trade Area will be, and what (if anything) the German pulp and paper industry might do about it. However, a group of smaller pulp and paper firms are already asking for protection against the increased competition expected. The Free Trade Area as it is now envisaged will permit the duty-free entry of all pulp, as well as all other products, from Scandinavia.

Certain of these companies have even expressed the fear that under the Free Trade Area both the pulp and the paper industries in Germany will be wiped out. The Scandinavians, it is said, will prefer to process their cellulose at home and export the end-product, thus assuring themselves of greater returns. Although this is generally regarded as an extreme view, some producers have begun to buy up paper plants to be certain of a market for their pulp. It remains to be seen whether industry will prefer the more expensive paper made from German pulp to the cheaper imported product. Meanwhile, the bigger paper companies continue to buy imported pulp.

Common Market Tariff

German import duties on wood pulp at present are relatively low and various grades, including unbleached and semi-bleached sulphate pulp, enter duty-free. Pulp may be imported without licences and free from import restrictions. How the European Common Market, of which Germany is a member, will affect Canadian pulp producers is not yet known. Pulp is one of those important products on which common tariffs will not be derived from the automatic application of the arithmetical average of duties applied in the six countries. Rather, the common tariff on pulp is to be negotiated among the member countries.

Market Outlook Good

If we assume that the barriers to trade in wood pulp will not be raised further, North America (as well as Austria and Scandinavia) seems assured of a place in the German market. Scandinavia will probably remain dominant because it is a traditional supplier, close at hand, and in an excellent position to guarantee a continuous supply of even-quality pulp. North America's future as a source of sulphate and dissolving pulp, however, looks particularly promising. The important question is: will Canada be able to match U.S. performance in this market and regain the position she held only seven years ago? ●

Research Advances Food Production

NORTH American food production has seen outstanding changes in recent years. Research has made a notable contribution to the remarkable developments which are taking place.

Consumers demand foods of better appearance, flavour and texture that are high in nutritive qualities and easy to buy, carry, store and prepare. Scientists, farmers and food industries are trying to develop products of this type.

In 1957, out of costs of about $50 billion for all domestically produced and marketed food in the United States, $30 billion went for processing and distribution.

Research developed a family-size turkey and the meat-type hog. Scientists working with livestock are trying to breed beef cattle that will provide more lean and tender beef, dairy cows that will produce milk with more solids and less fat, and hens that will lay eggs that will keep fresh longer. Other scientists are breeding potatoes with increased solids and more vitamin "C", developing giant-sized and full-flavoured blueberries, tender snapbeans that will hold their moisture longer, and sweet corn with more sugar that will not turn quickly to starch. Pest-control practices that will protect these qualities are being studied. Scientists are also working on concentrated sweetened cream, cheddar cheese of more uniform quality, frozen meat protected with transparent film, and butter with better flavour and spreadability.

The effect of irradiation on foods and the use of antibiotics in the preservation of foods are promising fields of research. Irradiation is being tried on meats, fruits and other commodities to retard decay, and on potatoes to delay sprouting. Projects are under way using various antibiotics on beef, poultry meat and fresh fruits and vegetables to determine their effectiveness in preservation and in the retention of desirable qualities.

Extensive studies are being conducted on the freezing, sterilization, concentration, dehydration and canning of foods. By partial dehydration combined with freezing and canning, scientists have come up with products that pack into half the space normally required for storage.

Research supports the technical revolution in this continent's food production. It has made possible the abundance of good foods that are available today and undoubtedly will develop even better foods for tomorrow.

—W. C. HOPPER,
Minister (Commercial), Washington.

Selling to the Indo-Chinese States

The author of this report recently returned from a journey to investigate the market for Canadian goods in South Vietnam, Cambodia and Laos. Here he summarizes current trade prospects and the most promising sales opportunities.

W. M. MINER, *Assistant Trade Commissioner, Hong Kong.*

South Vietnam

OF the three Indo-Chinese countries, South Vietnam offers the largest market for imported merchandise. The population totals approximately 13 million, with about two million in the twin cities of Saigon and Cholon. France has played an important role in the area and therefore consumers are educated to imports, and particularly French merchandise.

To a certain extent, the economy is still tied to the French franc area but the availability of United States aid dollars makes it possible for Canada to compete for orders covering a wide range of merchandise imported under the ICA-financed program.

South Vietnam is just emerging from a period of deflation and trade recession, caused by speculative buying, a build-up of cash balances, and overstocking. Although imports in 1957 were considerably larger than in the previous year, this was the result of the arrival of a backlog of licensed imports rather than buoyancy in the economy. In fact, trade circles remained extremely cautious throughout the latter part of 1957 and this still continues. Although there are signs of an improvement in the situation, imports in 1958 will be much below the 1957 total of US$289 million and imports of Canadian products significantly smaller. At the present time, there are indications that the excessive stocks are nearly taken up and demand may return to normal. To obtain any significant share of future trade, however, Canadian exporters will have to approach this market vigorously, because a number of other countries are firmly entrenched and still others are actively exploiting it. Because there is a substantial demand for a number of the commodities that Canada produces, exporters should pay more attention to selling there.

South Vietnam looks to larger sales abroad of rice and rubber to bring in money needed to pay for imports. Here in the Cai San area, settled by refugees from Communist North Vietnam, the rice crop is being harvested in the traditional way.

The civil war in Vietnam that led to partition of the country into two separate states seriously affected business and commercial life and some assistance was needed in providing goods and services for the population. A large share of this aid came from the United States and varied from about US$300 million in 1955 (fiscal year ended June 30) to $250 million in 1957. The figure for the fiscal year 1958 is about $170 million and it appears that aid may be slightly less this year. Serious attempts are going on to make the country more self-sufficient. Agriculture is to provide most of the required increase in earnings through greater sales of rubber and rice, but progress is slow. Vietnam is also trying to export more tobacco, spices, minerals and handicrafts.

Sources of Imports

Vietnam's imports in 1957 reached some US$289 million; comparative statistics for other years are given in the following table. These figures include imports

If You Want to Sell in This Area . . .

—*Treat each of the countries as a separate market.*

—*Try for business in lines where imports can be financed by U.S. dollars.*

—*Appoint a good agent if you want to get maximum results.*

—*Carry on correspondence in French.*

—*Sell on irrevocable letter of credit.*

—*Remember that these markets are complicated and difficult to enter and personal contacts are therefore extremely important.*

financed with aid, cash grants, triangular currencies and the country's own foreign exchange.

PRINCIPAL IMPORTS INTO SOUTH VIETNAM

(Calendar years 1956, 1957 and six months 1958)
(US$'000)

	1956	1957	Jan.-June 1958
Textile products	45,139	54,963	25,372
Agricultural products, beverages and tobacco	49,061	42,841	16,329
Motor vehicles, other vehicles and parts	12,189	20,658	11,553
Crude oil and petroleum products	12,570	15,880	6,923
Non-metallic minerals and products	8,792	11,821	5,555
Iron and steel-mill products and alloys	4,967	16,235	5,469
Pharmaceuticals	11,021	16,581	5,297
Industrial machines	5,433	9,940	3,969
Miscellaneous iron and steel manufactures	6,462	10,752	3,602
Electrical apparatus	6,189	9,051	3,179
Rubber and rubber products	6,368	8,262	3,091
Chemicals and chemical preparations	7,173	13,526	3,089
Newsprint, pulp, paper and paper products	6,516	10,597	2,905
Fertilizers	4,716	3,689	2,521
Engines and turbines	2,034	3,668	1,042
Scientific and professional instruments	1,358	1,903	871
Lumber and sawmill products	1,126	1,100	691
Aluminum and aluminum products	1,431	2,319	653
Total imports of all commodities	217,650	288,689	116,705

Source: Bureau of Customs of Vietnam (exchange rate US$1=35 piastres).

The franc area obtained about 29 per cent of this trade in 1957, with the United States and Japan supplying 23 and 21 per cent respectively. In examining the trade figures as a guide to export possibilities for Canada, it should be kept in mind that the statistics include certain surplus agricultural products financed under the ICA program and obtained from the United States. In addition, the U.S. provides cash grants and gifts of merchandise which are also included in the figures. It sells surplus agricultural commodities in the franc area for local currency and these francs are made available to Vietnam as part of the aid program. Canada is thus excluded from competing for orders for goods financed by these triangular currency arrangements. Vietnam has substantial reserves of francs made available for imports at favourable exchange rates, with the result that goods from the franc area have a price advantage over those from other suppliers.

Opportunities Analyzed

On the other hand, there is a definite market in Vietnam for certain Canadian goods. A large share of ICA-financed imports are obtained from world-wide sources and there is nothing to prevent Canadian manufacturers from competing for this dollar trade. Prospects for Canadians seem to be best in the following lines:

Newsprint and paper
Metals such as aluminum, copper, brass and bronze, and semi-processed forms such as sheet, strip, circle, wire, etc.
Steel-mill products and alloys
Chemicals, including plastic raw materials and fertilizers
Motors, generators and electrical apparatus
Automotive parts
Some types of machinery and equipment, including agricultural items

Sales prospects for the following merchandise are more limited:

Rubber products
Pharmaceuticals
Synthetic textiles, fibres, yarns, etc.
Plywood and hardboard
Leather—patent, lining and sole
Non-metallic mineral products
Iron and steel finished products of all kinds
Motor vehicles and engines
Building materials
Scientific and professional instruments and supplies

The demand for all types of consumer goods is relatively keen, but non-essentials cannot be financed by ICA funds and must be imported with francs or Vietnam's own currency. Francs are available at favourable exchange rates but funds earned from exports are expensive. This gives France and those who will accept payment in francs a substantial advantage in selling their products to Vietnam. In general, this market should prove interesting where the commodity is not available from the franc area and the Canadian producer is fully competitive with U.S. and European suppliers.

Entering the Market

South Vietnam is a potential dollar market for many Canadian exporters but it requires considerable effort to participate. All imports are subject to licensing and funds are allocated quarterly for each of the 18 categories of imported goods. The Canadian Trade Office

in Hong Kong or the Chamber of Commerce in Saigon can provide names of active importers in each category. Interested exporters should approach either of these contacts, giving full details about their merchandise and asking to be placed in touch with potential agents.

Once some interest has been shown in specific merchandise, the best approach to the market is a personal visit. If a representative can remain on the spot, prospects for immediate business will be greatly enhanced. This may be too expensive considering the size of the market and it may be worthwhile for a number of exporters to consider grouping together to maintain a representative in the area. A minimum arrangement is to appoint an exclusive agent for the market.

Imports are financed by irrevocable letter of credit and prices should be quoted C. and F. in U.S. dollars, with freight shown separately. Local importers must submit two copies of pro forma invoices with applications for foreign exchange. Where goods require servicing, the importer must have facilities and knowledge to perform the necessary operations.

A number of other exporting countries are actively working this market, either directly through manufacturers' representatives, through commercial attachés, or by using aggressive agents. This is paying dividends and will undoubtedly bring continuing business, as their products will be firmly established. Some concerted efforts by Canadian exporters are also yielding results; about Can.$1 million worth of goods moved into the Indo-China area in 1957. There is no question that there is a market for some Canadian merchandise and exporters, when they are in this area, should visit Saigon to assess its potential at firsthand.

Cambodia

WITH a population of approximately five million, Cambodia is a smaller market than Vietnam and it must be treated separately, despite many similarities in its economy and in methods of doing business. It is essentially an agricultural country and one of the world's leading rice producers. Substantial amounts of foreign aid are received annually to alleviate the trade deficit and assist in maintaining the armed forces and government services. A large share of this assistance comes from the United States and increased Canadian sales can best be obtained by bidding under the ICA-financed import program. Aid from the U.S. reaches about US$40-45 million per year and the commercial import program makes up slightly less than half of this. It is expected that aid will be cut somewhat in the current fiscal year.

Cambodia's imports reached some 2.1 billion riels in 1957, or approximately US$60 million at the official rate of exchange (35 riels=US$1.00). In order of importance, the major suppliers were Hong Kong, Japan, France and French territories, and the United States. Principal imports were textiles, machinery and parts, petroleum products, metals and metal products, automobiles, bicycles, tires and parts, construction materials, paper and paper products, electrical apparatus, pharmaceuticals and foodstuffs. Although there is a market for a wide range of merchandise, Canada's best prospects for increased sales appear to be in the following goods:

Paper; metals; fertilizers; motors and engines of all types; machinery, particularly sawmill and logging equipment; chemicals and pharmaceuticals; pumps and generators, and hardware items.

Canadian firms wishing to investigate this market should forward catalogues and information on prices to the Trade Commissioner in Hong Kong or the Chamber of Commerce in Phnom Penh. These offices can assess prospects initially and place the information in the hands of suitable agents. Cambodia is not an easy market to exploit but vigorous trade promotion could bring results, particularly in the lines mentioned above.

Laos

THIS country has a smaller population than Vietnam or Cambodia (estimated at 2 to 2½ million) and a correspondingly smaller demand for imported goods. Prospects appear best for essential goods that can be financed under the ICA import program, but there is little or no market for industrial raw materials. Recent revisions in trade and currency controls have simplified business procedures considerably. Unlike the other two countries, Laos has no currency restrictions nor significant import controls. Effective October 10, 1958, the kip was made freely convertible in terms of United States dollars at the rate of 80 kip=US$1.00. At this rate of exchange, goods may be freely imported but prices of imports are high and no doubt the currency reform will have the effect of limiting the purchase of non-essentials and encouraging the use of aid funds for the development of the country.

Laos is not highly developed and life there is relatively simple. There is a market for certain semi-processed and consumer goods and prospects appear best for paper products, yarns and textiles, construction material and electrical goods, metal products, chemicals, and sawmill equipment. Canadian exporters will find this market difficult to enter, but the trade potential should be considered, particularly if businessmen are visiting Bangkok or Saigon. ●

Commodity Notes

Aluminum

AUSTRALIA—The Australian Government, in co-operation with the State Government of Tasmania, is trying to obtain capital from overseas to enlarge the Bell Bay aluminum plant in Tasmania. The Bell Bay works, the only one in Australia, is only one-third as big as the smallest North American plant. Experts feel that a substantial increase in its size will reduce production costs enough to make Australian aluminum competitive with supplies from overseas—Melbourne.

Automobiles

AUSTRALIA—The 10,000th Holden car for export came off the assembly line at the General Motors-Holden's plant on October 20. Since 1954, Holden exports have earned Australia more than £5 million in foreign exchange, and the cars are now being sold to 24 territories in the Pacific, Asia and Africa. General Motors-Holden's has turned out 500 thousand Holden vehicles since the first one was made ten years ago—Melbourne.

SWEDEN—As U.S. automobile production has declined Swedish car sales to North America have increased. Volvo now exports 2,000 vehicles a month to the U.S. and counts on selling at least 20,000 in 1959, 25 per cent more than in 1958—Stockholm.

Cotton

EGYPT—The cotton crop for the 1958-59 season is estimated at 9.2 million cantars (one cantar=99 lb.). This, plus a carryover of 2.2 million cantars, totals 11.4 million cantars—the largest amount Egypt has ever had for sale.

Today's prices are below those of the 1957-58 season, especially for the long-staple varieties. To stimulate sales the Government has reduced the export tax on long-staple cotton and the discount permitted on the price paid in transferable (Western) currencies. This discount, now 15 per cent and previously 20.9 per cent, will improve the exchange rate of the Egyptian pound abroad. The Government has also decided to raise the limit of bank advances on cotton from 90 per cent of the cotton price (with the Government's guarantee) to 100 per cent, and is prepared to take over any unsold cotton of all grades and varieties at floor prices—Cairo.

Crayfish

NEW ZEALAND—A New Zealand fisheries export firm is sending a trial shipment of cooked and deep frozen crayfish to the United States. The shipment of 100 twenty-pound cases is reported to be the first such export from New Zealand—Wellington.

Minerals

AUSTRALIA—Substantial deposits of iron ore have been proved in the Savage River area of northwest Tasmania. Preliminary diamond drilling shows a deposit of over 100 million tons of low-grade ore which, it is hoped, can be improved by simple ore-dressing processes. Important reserves of copper and tin were also discovered in recent geophysical surveys in Tasmania, as well as small deposits of copper-nickel ore—Melbourne.

Oil

SOUTHERN RHODESIA—Investigations are under way into the possibility of making oil from coal in the Federation and building up a new £13 million industry. If this scheme develops, the Federation will be able to produce approximately one-third of the gasoline it needs—Salisbury.

BRAZIL—The Foreign Exchange Department of the Bank of Brazil is considering a Russian offer to buy Brazilian cocoa and other products in exchange for 200 thousand tons of Russian oil. Brazil's state-owned petroleum corporation, Petrobrás, says that using Russian petroleum in Brazil's national refineries would not create any technical difficulties—Rio de Janeiro.

Oil Products

AUSTRALIA—New markets have recently been found in New Zealand, Singapore, India, Ceylon, the Philippines, Spain and the Australian territories for

petroleum products refined in Australia. During 1956-57, exports were valued at A £ 8,179 thousand; it is expected that this figure will have increased to more than £ 10 million during 1957-58. New Zealand was the top customer in 1956-57, taking more than 92 million gallons of refined petroleum products, including 22 million gallons of aviation gasoline and 66 million gallons of diesel and fuel oil—Melbourne.

Oysters and Mussels

NETHERLANDS—The Netherlands Government is to compensate oyster and mussel fishermen for losses suffered when the Delta Plan for closing the Zeeland estuaries is completed. The total value of the Dutch oyster and mussel industry, including investments and stocks, is almost 50 million guilders. It employs 2,000 people, 900 of whom are engaged in oyster and mussel breeding. Receipts from sales, including exports, are estimated at 12 million guilders a year. Oysters are now being bred in aquaria at Wemeldinge for the new beds which will be planted in the still water of the Veerse Gat estuary when it is closed off by a huge dam—The Hague.

Paper

PAKISTAN—The Karnaphuli Paper Mills, operated by the Pakistan Industrial Development Corporation, were expected to attain peak output of 100 tons a day by the end of 1958. Using bamboo, this mill has made Pakistan practically self-sufficient in writing and printing papers. Moreover, it will be in a position to export 2,000 tons to neighbouring countries this year at an estimated price of roughly $388 per ton. The number of labourers in the plant exceeds 3,000, and another 700 harvest bamboo in the nearby Chittagong hills—Karachi.

Pulp and Paper

AUSTRALIA—Sales of Associated Pulp and Paper Mills Ltd., Burnie, Tasmania, for 1957-58 totalled £ 6.9 million in fine papers, £ 1.5 million in coated papers and boards, £ 1.4 million in special wrapping paper, £ 1.4 million in pulpboard and £ 700 thousand in sawn timber. Pulp output reached 32,990 tons (32,644 in 1956-57), paper 51,752 tons (51,374), pulpboard 51 million square feet (45 million), and sawn timber 3.7 million super feet (2.4 million)—Melbourne.

Rolling Stock

SOUTH AFRICA—Three engineering firms from Australia, the United States and Britain have combined to build a $1½ million subsidiary plant at Nigel in the Transvaal. It will turn out railway rolling stock and begin delivering steel coaches in September 1959. Some technicians will be brought from Australia but most of the employees will be recruited in South Africa—Johannesburg.

Sparkplugs

BRAZIL—The Nippon Special Ceramic Industry Company of Nagoya will supply equipment and technical know-how to a Brazilian-Japanese mixed-capital organization to build a sparkplug plant in São Paulo. Production is expected to reach 100 thousand plugs a month—São Paulo.

Sports Cars

NETHERLANDS—A Dutch firm plans to start making a small sports car early in 1959. Named the *Citeria* the new car will feature an all-plastic body with removable canopy. A four-stroke, two cylinder rear-mounted engine will develop 30 h.p. and permit speeds up to 80 miles an hour. Selling price will be about $1,850. Initial plans call for a production of 2,500 cars a year.—The Hague.

Steel Rails

AUSTRIA—One of Austria's largest steel companies has developed an improved type of steel rail which, it is claimed, is not subject to deterioration through rippling. Austrian and Swiss railways are currently testing these rails and the German Federal Railways are also said to be interested—Vienna.

Storage Batteries

NICARAGUA—A new plant for making automotive storage batteries will be built in Nicaragua in the near future. The company will be established in Managua, under the name of Corporación Eléctrica Industrial, S.A.—Guatemala.

Sugar Beets

NETHERLANDS—Experts in the Dutch beet-sugar industry are estimating the 1958 sugar-beet crop at 3.9 million tons. White sugar output should reach half-a-million tons, about 150 thousand more than the 357,169 tons in 1957. Because 1958's production will exceed domestic requirements, a substantial amount will be available for export. The price on the world market is, however, lower than the Dutch price—The Hague.

Sulphuric Acid

AUSTRALIA—Shell Chemical (Australia) Pty. Ltd. has built a £ 700 thousand plant for extracting sulphuric acid from crude oil at Geelong, Victoria. The sulphuric acid is to be supplied to superphosphate manufacturers. The company hopes shortly to release three new chemicals for pest control—Melbourne.

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PHARMACEUTICAL RAW MATERIALS

Markets in Asia II

INDIA—*The pharmaceutical industry here requires large supplies of raw materials from abroad to feed the growing number of plants turning out drugs and fine chemicals. Though the Government plans to make the industry self-sufficient, the author shows that Canadians may still compete with other suppliers of synthetic chemicals and, to a lesser extent, of products of animal origin.*

T. F. HARRIS,
Trade Commissioner, Bombay.

INDIA'S pharmaceutical industry during the last ten years has developed remarkably. It now produces twice as many pharmaceutical products and prepared medicines as in 1948, and supplies a fairly large part of domestic demand. Its output is estimated to be worth about $116 million a year. With the exception of medicinal plants and, to a certain extent, products of animal origin, the industry depends largely on imports for raw materials.

Industry Progresses

Among the outstanding developments is a state-owned plant at Pimpri near Poona that has increased production of penicillin from 14.1 million mega units in 1956 to nearly 23.6 million in 1957. This plant turned out nearly 17.9 million mega units of the finished product for clinical use compared with 5.2 million in the preceding year, and capacity was increased 60 per cent during 1958 by installing additional plant and equipment. The Government plans to make streptomycin here and expects an output of 15,000 to 20,000 kilograms a year at an estimated cost of Rs.1.2 crores. Chloramphenical is produced from imported penultimate levobase in a plant with an annual capacity of 3,600 kilograms and aureomycin is being made from imported crude chlortetracycline. Indian plants are also producing a small amount of para-aminosalicylic acid (PAS) and isonicotinic hydrazide (INH) for the treatment of tuberculosis. Twelve factories with a combined capacity of 22,000 kilograms a year are manufacturing sulfa drugs, and two with a combined capacity of 2,920 kilograms are putting out anti-leprosy drugs such as DDS and its derivatives.

Most of India's requirements of fine chemicals such as ether, chloroform and calcium lactate are made locally. Inorganic chemicals such as sodium bicarbonate, magnesium sulphate, ammonium and potassium bromides are produced by firms which manufacture heavy chemicals but they do not make enough to meet the needs of an expanding industry so some must be imported.

Some Animal Products Imported

Products of animal origin such as liver extract, pepsin and certain hormones are also produced in India. Although thousands of animals are slaughtered every day for food, the industry must rely to a certain extent on imported raw materials because of the scarcity of modern abbatoirs and proper facilities for collecting, storing, and transporting glands and organs from the slaughterhouses. It is estimated that 224 thousand lb. of crude liver extract for oral use and about 15 million c.c. for parenteral use are manufactured every year. Even so, Rs.6,682 worth of dry liver extract and Rs.435 thousand of liquid liver extract were imported in the eleven months ending in November 1957, the latest period for which figures are available. The main suppliers were: dry—Belgium, France and Italy; liquid—United Kingdom, United States, Italy and the Netherlands.

ACTH, insulin, epinephrine and other endocrine products are imported chiefly from the United States, the United Kingdom and Argentina, and are processed locally. It is estimated that approximately 1.75 million c.c. of adrenalin solutions are made every year from imported synthetic adrenalin powder, although a much larger amount of adrenalin from the suprarenal glands of sheep and cattle goes to waste because of the lack of collection and storage facilities in the slaughterhouses. It is also estimated that about 750 thousand c.c. of posterior pituitary extract solution are made every year from imported powder. The pharmaceutical industry depends entirely on imports for pepsin, bile acids, hormones, sterols and vitamins D2 and D3, though two or three subsidiaries of foreign firms are

PRINCIPAL IMPORTS OF PRODUCTS OF ANIMAL ORIGIN

		Jan.-Nov. '57 (Rupees)
United States	Liquid extracts of liver	136,243
	Insulin injections, insulin hydrochlor	379,581
	Pitocin injection	129,980
	Adrenal cortical hormones	781,375
	Drugs animal origin and preparations	308,762
United Kingdom	Liquid extracts of liver	137,356
	Cod liver oil medicinal quality	114,557
	Insulin injections, insulin hydrochlor	354,420
	Protamine zinc insulin injection	127,839
	Zinc insulin crys reference standard	182,886
	Adrenal cortical hormones	368,945
	Drugs animal origin and preparations	404,099
West Germany	Adrenal cortical hormones	589,347
	Drugs animal origin and preparations	145,756
Switzerland	Adrenal cortical hormones	281,178
	Drugs animal origin and preparations	344,877
Canada	Adrenal cortical hormones	128,586
	Drugs animal origin and preparations	64,597

expected to start production in the near future of hormones from the penultimate stage.

Good Supply of Medicinal Plants

The only pharmaceutical raw materials in which India approaches self-sufficiency are medicinal roots, herbs and plants. Perhaps there is no other country in the world so rich in medicinal plants; more than 75 per cent of the drugs of vegetable origin mentioned in the British Pharmacopoeia are found here. Most of the plants, however, grow wild and are collected by aborigines and illiterate peasants who have little or no training in modern collection methods, though organized cultivation of some of the plants has been started. Canadian medicinal plants such as hellabore, golden seal root and senega root are not used to any extent in India.

Synthetic Chemicals Needed

The Indian pharmaceutical industry relies almost entirely upon imports for its synthetic chemical supplies. Purchases in January-November 1957, shown in the accompanying table, indicate the market in India for those chemicals that seem to provide the best opportunities for Canadian suppliers. There are 93 large pharmaceutical plants in India and many of them produce packaged medicines from imported synthetic chemicals. Thirty-two of these plants are, however, either foreign controlled or working with foreign companies and are restricted normally to buying from the parent firm or its affiliates. These 32 firms produce over 50 per cent of the total value of finished drugs made in India. In one year they are reported to have imported raw materials valued at Rs.42 million and bought indigenous raw materials valued at only Rs.6 million.

It must also be pointed out that one of the aims of India's Second Five Year Plan is to make the pharmaceutical industry self-supporting and, as much as possible, free from outside influence. Manufacturers are encouraged to undertake production from intermediate to basic drugs. New manufacturers are permitted to enter the field on the understanding that they will produce basic drugs as soon as possible. Proposals for establishing a company to make synthetic drugs and additional quantities of antibiotics from basic stages are under consideration. These developments are likely to affect the long-term market for raw materials but in the meantime, there is a market here and Canadian producers not already represented in India might well consider appointing an agent.

Main suppliers of synthetic chemicals in the period January to November 1957 were the United Kingdom and West Germany; Italy, the Netherlands, Belgium and other countries supplied smaller amounts. In the same period, Canada sold India citric acid valued at Rs.12,064 out of total imports of Rs.1.5 million; glacial acetic acid worth Rs.6,350 (total imports Rs.1.6 million) and acetic anhydride worth Rs.50,975 (total imports Rs.126,415). Further information about India's imports of synthetic chemicals can be obtained from the Chemicals Division, Commodities Branch, Department of Trade and Commerce, Ottawa.

Import Licences Required

Import licences are required but under the current Import Trade Control Policy, which covers the licensing period April-September 30, 1958, licences for pharmaceutical raw materials are granted to actual users and to established importers on a quota basis. The policy is complicated and varies from item to item. Any Canadian firm wishing to explore the possibilities for a particular product should send complete details to the Canadian Government Trade Commissioner in Bombay. He will be pleased to determine the licensing position and, if requested, attempt to interest a reliable local agent in the line.

Quality Control

Imports of all raw materials for the pharmaceutical industry are controlled for quality, purity and strength by the Drugs Act (1940) and the rules thereunder (1945); these are modified and amended from time to time. All drugs and raw materials have to conform to pharmacopoeial standards (B.P., U.S.P., N.F., B.P.C. and Indian Pharmacopoeia). If no standards are available, then those laid down in *New and Non-Official Remedies,* a publication of the American Medical Association, are accepted.

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Price is a prime consideration and although importers do not object to opening a letter of credit they prefer payment against sight draft. ●

PAKISTAN—*About one-fifth of the value of Pakistan's total imports of pharmaceuticals represents raw materials, but Canadians will find it difficult to sell goods in any quantity, except to small producers not connected with overseas parent organizations.*

JOHN D. BLACKWOOD,
Assistant Commercial Secretary, Karachi.

PAKISTAN buys drugs and medicines valued at over $10 million a year; $2 million of it is spent on raw materials to make drugs, galenicals, herbal medicines and tinctures. The industry produces 20,000 pounds of santonin and ephedrine a year as well as large quantities of galenicals and syrups, though the latter are generally of poor quality. A small number of injections and tablets are made locally and several factories, particularly those owned or controlled abroad, process and pack antibiotics, vitamins and other medicinal preparations.

In 1955, fifty-six pharmaceutical factories were registered, with an effective annual capacity valued at Rs.8 million. Most of them are small plants working from indigenous raw materials and few chemicals are imported. The larger factories are mainly subsidiaries of foreign drug houses which normally supply the raw materials needed by their branch plants. These subsidiaries usually begin operations by bottling and packaging, but a number are gradually expanding to include processing and compounding. Foreign investment is encouraged and domestic producers are protected by an import licensing system.

Britain Has Preference

The general rate of duty for most fine chemicals, drugs and medicines is 20 per cent ad valorem. Imports from India are duty-free and the United Kingdom, Ceylon and British Colonies enjoy a preferential rate of 10 and 14 per cent on a wide range of products. These include penicillin, vitamins, sulfonamides, phenobarbitone, acetylsalicylic acid, hyocine hydrobromide, certain synthetic antimalarials, liver extracts, organo-arsenical compounds, insulin, phenacetin, alkaloids other than those extracted from cinchona bark, bromides, and barbituric acid. British exporters thus have a considerable advantage in a large number of products, including those containing spirits. Usually manufacturers are allowed duty-free entry on active or main ingredients but the combination of duty and excise tax on other constituents can be very high.

Imports Controlled

All imports must be covered by import licences. Manufacturers are granted licences according to their capacity and enough foreign exchange is generally made available to import essential raw materials. The names of all imported products must be registered with the Director General of Health for inclusion in the official import list and provision is made for new products to be submitted for testing.

Outlook for Canada

It is difficult for a Canadian exporter to find a satisfactory dealer or agent to handle or represent his products. Only "categorized" importers—those who were active in the base period 1951-52—receive licences and these people have long-standing connections with traditional suppliers. The main markets open to Canadians are the small manufacturers who are not tied up with some overseas supplier or parent organization. With the exception of a few basic chemicals such as caustic soda and sulphuric acid, it is unlikely that there will be any build-up in local production of raw materials. Consumption and domestic production of finished products are expected to increase. Therefore internal demand, in the long run, should grow steadily because of expanding public health programs, more medical facilities provided by employers, and a steady rise in the standard of living.

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from the United Kingdom

F. L. JORDAN, representative of Sea Fern Products Co., 113 Leigh Road, Leigh-on-Sea, Essex, England, will visit Canada in January. He wishes to contact buyers of sea moss (neptune fern) and of aquafern for aquariums.

Mr. Jordan will be in Montreal from January 9-14, in Ottawa from January 14-16, Toronto January 17-20, and Winnipeg January 21-25. Businessmen may reach him through the United Kingdom Trade Commissioners in these cities.

Trade Commissioners at Work

What are the duties of a Canadian Trade Commissioner stationed abroad? How does he help to represent Canada and assist the Canadian businessman? From time to time we plan, through pictures, to show Trade Commissioners carrying out the varied assignments that foreign service provides.

1 Addressing meetings is a frequent duty and sometimes, as here, the Trade Commissioner is called upon to speak extempore. This occasion was a business luncheon given by a Birmingham, England, firm and the speaker is the then Minister (Commercial) in London.

2 Promoting Canadian products includes making visits to industries that use them. This photograph was taken in the workrooms of a South African furrier and shows the Assistant Trade Commissioner (second from right) in our Johannesburg office examining Canadian wild mink skins which are being selected before the matching begins.

3 Assisting the Colombo Plan administration is an additional responsibility at some posts. The Trade Commissioner in Singapore (centre) pays a visit to Sarawak, one of the countries in his territory, to discuss Colombo Plan matters with the directors of a Chinese high school.

4 Escorting V.I.P.'s and meeting businessmen at trade fairs where Canada is exhibiting keeps the Trade Commissioner busy during the fair season. Here the Commercial Secretary in Vienna (second from right) accompanies the President of Austria, Dr. Adolf Scharf, during his official visit to the Canadian exhibit at the Vienna Fall Fair.

Venezuelan Andes: neglected market

These prosperous Andean states offer a market that differs in many ways from that in busy Caracas or Maracaibo. But exporters who do not try to sell in this area may be missing a good opportunity. That's the opinion of the writer, who recently visited the region.

WILLIAM BRETT,
Assistant Commercial Secretary, Caracas.

IN their majestic march up the west side of the South American continent, the Andes cross the Colombian border and extend northeastward, deep into Venezuela. They rim the edge of the oil-rich Maracaibo Basin until they finally merge into the rolling lands of west-central Venezuela. This region embraces the states of Trujillo, Mérida and Táchira, distinct from the rest of the country not only because they are mountainous but also because of the attributes of their people.

These states are more oriented to continental South America than many other parts of Venezuela that are Caribbean in outlook. The people are different even in appearance, robust in physique and striking in bearing. Proud of their mountain heritage, they are very much aware of being Andinos. Taken together, these mountain states form an economic whole. They depend on oil perhaps less than any other region, except the iron ore-producing area.

Trujillo and Mérida

Trujillo, the most northerly of the mountain states, is linked with the plains of north-central Venezuela. In the foothills cattle are raised and from the valleys come coffee and sugar. Most of the population (some 290 thousand) lives in and about the capital city of Trujillo, the administrative and market centre.

Passing from Trujillo southward into Mérida, we mount the high Andes and cross the barren "páramo" heights into the valleys of Mérida. Here the links with Colombia and the State of Táchira are strong. The capital, Mérida, has about 40,000 of the 227 thousand people who live in the state. It is a cultural centre and its people are justly proud of the famous University of the Andes. Mérida is hopeful of developing a tourist industry because almost everything that attracts the visitor is at hand, and the cool heights are particularly welcome to the people living in the hot Maracaibo region. The Pan American Highway flanks the west foothills of the Andes and now a broad access route is being pushed westward from Maracaibo to Mérida so that this charming city will soon be more accessible to the motorist. Hotel accommodation is excellent and the tourist or businessman is assured of a pleasant, comfortable stay. Not the least of Mérida's charm is the trout fishing in the nearby mountain streams.

An energetic Chamber of Commerce advertises the advantages of Mérida as a centre for light industries. Labour is reasonably priced, and real estate is, generally speaking, much cheaper than in many other cities and industrial areas of Venezuela. Relatively cheap electric power is soon to be transmitted from the turbines at La Fria, some 60 miles to the southwest.

The people of Mérida enjoy a relatively high standard of living, largely derived from the university, which is the hub of business as well as cultural activity. There is almost no industry but the surrounding countryside

The city of Trujillo, which is not shown on this map, is about 30 miles southwest of Valera on the Andean Highway.

produces a variety of crops, with emphasis on coffee and sugar. The cool upland slopes and the warmer mountain valleys encourage a wide range of vegetable crops. Many Canadian seed potatoes are planted in the bottom lands.

Táchira

To the south and west of Mérida is the State of Táchira; its capital, San Cristobal, is a thriving city of some 83,000 people. It lies within 20 miles of the Colombian border and in this area there is a good deal of interchange between the two countries.

Agriculture is the mainstay of the economy. The cattlemen of the state are working hard to increase and improve their herds. The emphasis is on beef production and a good deal of Cebu and Brahmin stock is imported. There is a milk production plant near San Cristobal and a growing interest in dairy herds that Canadian livestock exporters would do well to watch. At present a good deal of the milk is drawn from the flat lands south of Lake Maracaibo.

There is a certain amount of light manufacturing. At nearby Ureña there is a large sugar mill, at Palmira a brewery, and in San Cristobal a number of small factories producing a variety of goods.

The main crop of Táchira is coffee, and Táchira No. 1 washed coffee is said to be one of the finest beans produced. Production is limited and the problem in Táchira, in contrast with that of many producing areas, is adequate supply rather than over-supply.

Features of the Market

The standard of living in this area is rather above the Venezuelan average and further progress is expected as transportation improves and agricultural technology advances. I talked to the local manager of a firm that handles a wide range of goods and has branches all over Venezuela. He told me that sales to the Andes region accounted for approximately 25 per cent of their total imports. The region does not boast 25 per cent of the population but it has a higher per capita consumption.

To me, one of the most striking things about the market was the absence of Canadian goods. I did not expect to see the variety of products that one finds in the metropolitan markets. It is true too that many Canadian exports do not immediately get one's attention. Who knows if the newspaper one is reading is printed on Canadian newsprint or if the bread he is eating is made of Canadian flour? Obviously, a great many of the goods available to the consumer in Caracas, Maracaibo and the eastern cities, are not seen in these Andean states. On the other hand, a few Canadian products certainly have obtained excellent coverage of this market.

If your agent has branch offices in these Andean cities, you are assured of ample coverage. However, only a few trading houses are organized to this extent; they have to handle a fairly wide range of goods to make this worthwhile. A branch office in one of the Andean cities, although it is an advantage, does not necessarily ensure coverage of all these states. Only in one or two instances would it benefit a Canadian company to appoint a sub-agent in the Andes. In any case, prospective agents are few in number. For the great majority of Canadian traders, the best course is to step up visits by salesmen based in Caracas or Maracaibo. More and more, this region is coming into the trading orbit of Maracaibo. This trend became more marked with the completion of the Pan-American Highway along the west side of the Andes range and the growth of the Maracaibo area as a port and trading centre. It will be quickened again when the bridge across the Lake Maracaibo narrows is completed and the access road from the Pan American Highway links Maracaibo with the city of Mérida. The development of the agricultural lands to the south of Lake Maracaibo will also serve to draw the Andes approaches closer to Maracaibo, especially if a port is built at Bobures at the south end of the lake.

Agent in Maracaibo Needed

These developments make it more important for the Canadian exporter to be represented in Maracaibo. He should also make sure that his agent has the sales staff to look after sales promotion in the Andes region.

The advantage of sales trips to the Andes was brought home to me in an interesting fashion. On three successive calls, when Venezuelan businessmen were asked what sort of experience they had had with Canadian goods, they replied that their experience was limited; they could remember only one representative who handled Canadian goods approaching them. This representative was known to us as a competent and energetic commission agent who carries a few lines of smaller Canadian manufactured products, none of them ranking exports or blessed with well known brand names. In each case sales—quite good sales—had been made, and not entirely on price.

We also met an experienced salesman from a Caracas firm who carries hardware and toys. He said frankly that business was hard in his lines, but in this part of the interior he got better results from the same amount of sales effort.

This agricultural region does not offer a market for Canadian primary products. But as the list of Canadian exports lengthens and our sales become more varied, increased attention to the Andes of Venezuela may pay off. Other people are finding that it does. •

West German Agriculture

Production and Imports

What the Canadian farmer sells to West Germany varies from year to year as domestic production moves up or down. This report on 1958 output thus foreshadows the trend in Canadian sales.

J. A. STILES, *Commercial Counsellor, Bonn.*

EACH year, sales prospects for Canadian agricultural products in West Germany are closely linked to Germany's domestic farm production. Here is an up-to-date report on this year's agricultural output and its significance for Canadian suppliers.

Grains—In 1958, for the third successive year, West German grain production was high at 13 million tons —only 3 per cent below the record 1957 level. Crop acreages increased slightly, but a late spring and heavy rains at harvest time, particularly in northern Germany, combined to reduce yields and quality.

West German Grain Production

(in '000 bushels)

	1958	1957	average 1952/57	% change from 1952/57 average
Rye	146,763	150,228	141,331	+ 3.8
Wheat	135,693	141,205	122,907	+10.4
Mixed winter grains[1]	8,378	7,893	7,584	+10.4
Barley	110,873	115,007	96,773	+14.6
Oats	139,344	144,466	159,963	−12.9
Mixed summer grains[1]	39,463	39,595	36,155	+ 9.1
Feed maize	512	630	748	−31.9
TOTAL GRAIN[2] (in 1,000 tons)	13,083	13,484	12,521	+ 4.5

[1]Calculated at 50 pounds to the bushel.

[2]Throughout the report, tons refer to metric tons.

As a result of the deterioration in quality and the low bushel weight, the official estimate for grain production may be slightly high. It also appears likely that some of the sprouted bread grains will have to be used as feed.

Although the total of 12.1 million acres in grain was up only slightly over the previous year, the acreage sown to wheat increased by 202,500 acres, but the amount sown to oats decreased by 192,700 acres.

In recent years, wheat acreage and production have increased steadily. Because of this trend, the government regulations for flour millers were changed at the beginning of the new crop year (July 1) to require millers to use a minimum of 61 per cent domestic wheat in the grist compared with the previous year's average of 51 per cent. In addition, the permissible amount of quality wheat (i.e., high-grade wheat from Canada, Argentina and the United States) which can be used in the grist was reduced from an average of 34 per cent to 30. The remainder is normally made up of imported filler wheats obtained from countries with whom Germany has bilateral trade agreements, such as France and Sweden.

Oilseeds—Some 81,433 acres of rapeseed, Germany's main oilseed crop, were grown in 1958—6,457 acres more than in the previous year. Output was 258,529 bushels, 14 per cent less than in 1957 but 50 per cent more than the 1952/57 average.

Raising of livestock has become an important part of German agriculture. Here an agricultural apprentice is getting a lesson from his employer on how to look after pigs properly.

Flaxseed is not an important crop in West Germany and production figures are no longer published. The poppyseed harvest reached 2,493,000 pounds.

Fruits—Total fruit production was much above average and more than three times as large as the 1957 crop.

West German Fruit Production

	1958	1957	average 1952/57	% change from 1952/57 average
			(in '000 bus.)	
Apples	104,792	19,895	56,923	+84
Pears	28,087	5,163	15,873	+77
Sweet cherries	4,643	2,840	4,678	− 1
Sour cherries	2,712	1,574	2,540	+ 7
Plums (including mirabelles and greengages)	15,631	6,750	16,363	− 4
Apricots	40	44	62	−35
Peaches	1,151	441	1,310	−12
			(in '000 lbs.)	
Currants	236,774	165,125	222,444	+ 7
Gooseberries	153,661	97,223	138,008	+11
Raspberries	42,328	32,187	36,750	+15
Strawberries	46,076	31,085	26,014	+77
TOTAL (in 1,000 pounds)	7,807,590	2,061,522	5,025,980	+55

The output of all fruits, with the exception of apricots, was considerably higher than in 1957 when heavy frosts in the blossoming period drastically reduced yields. Although the 1958 production of stone fruits was below average, this was more than offset by the increased production of other fruits, notably apples. This year's apple crop of 105 million bushels is more than five times larger than in 1957 and nearly twice the average for the period 1952/57. The yield per tree averaged 2.4 bushels and results were particularly good in southwestern Germany. As a result, apple prices are much below normal and less than half what they were last year. Pear production also went up sharply over previous years.

Vegetables—Vegetable production declined from the high 1957 level of 1.2 million tons, partially as a result of reduced acreages (down 6.8 per cent) but also because of lower yields. Peas, beans and cabbages were particularly affected. Production of peas totalled 58,000 tons (1957=74,657 tons) and of beans 66,300 tons (1957=78,500 tons).

The canned vegetable pack is expected to reach the 1957 figure of 374 million pounds, with increases in spinach, beets and carrots compensating for the decline in peas and beans.

Fruit-juice production is expected to be 90 per cent above last year and equal to the 45 million gallons of 1956; the 1958 commercial pack of canned fruits is estimated at 99 million pounds, up 23 per cent from last year.

There was a marked increase in home canning of fruits, as housewives took advantage of the lowest prices in several years. The glass industry was caught unprepared and did not catch up with the resulting demand for preserving jars until the end of October.

Other Crops—This year's potato crop, at 833 million bushels, is 13.8 per cent smaller than last year's because of a 5 per cent reduction in acreage and lower yields. Roughly 257 million bushels of the domestic crop are required for human consumption and most of the remainder goes to livestock feed.

The area planted to tobacco in 1958 was 18,712 acres, considerably below the 30,000-acre maximum allowed by the Ministry of Agriculture. Production is estimated at 37 million pounds. About half of this quantity is cigar leaf.

Livestock and Livestock Products—According to a census conducted in September of this year, there were 15.4 million pigs in the country, 1.8 per cent less than the record 1957 figure. In June 1958 there were an estimated 12.28 million cattle in West Germany, no significant change from the 1957 total of 12.29 million.

The greatest change from the previous year occurred in the cow population, which went down by 103 thousand head. This downward movement started in 1953 and since then, the number of draught cows has decreased by 32.4 per cent. The number of milk cows, on the other hand, has gone up by 7.1 per cent in the same period.

Milk production has increased accordingly and reached 18 million tons in the 1957/58 agricultural year (July-June), some 5 per cent more than in the previous year. The increase can be related to the production premium of DM0.04 per kilogram of the milk, which was paid from April 1, 1957, to March 31, 1958, to encourage the production of quality milk from T.B.-free cows. This was subsequently reduced to DM0.03 under the current "Green Plan" because the budget set for this purpose was being exceeded. Recent statistics confirm that the monthly output of milk and butter continues at levels above similar periods in 1957, although the normal seasonal decline has occurred this fall.

Meat consumption amounted to 117 pounds per capita in the year ended June 1958. This was 4 per cent above the previous year and for the first time slightly exceeded the prewar average.

Total slaughterings yielded 874 thousand tons of beef and 1.78 million tons of pork. Nearly 10 per cent of the beef came from imported animals, an increase of 12,000 tons over the previous year. In contrast, imports of swine for slaughtering decreased markedly and more than 98 per cent of the total pork produced came from animals raised domestically.

Egg production in 1957/58 was estimated at 6,550 million, nearly 6 per cent more than in the previous year. Imports at 3,995 million (chiefly from Denmark and Holland) were about the same as last year.

Principal Agricultural Exports from Canada to West Germany

('000 Canadian $)

	First 8 months 1958	First 8 months 1957
Quality wheat	19,764	26,559
Durum	7,344	6,649
Barley	826	7,987
Flaxseed	1,894	4,161
Rapeseed	1,887	1,973
Cattle hides	934	1,034
Calfskins and kips	371	101
Tobacco	538	903
Rye	960	1,177
Whisky	295	876
Cloverseed	239	156
Soya bean oil		341
Furskins	313	420
Mustardseed	204	26
Fresh apples	432	
Frozen eggs	554	
Herring and pilchard meal	103	
	36,658	52,363

Source: Trade of Canada, EXPORTS, DBS.

Outlook for Imports

Taking into account local production, the Government has estimated that imports of 2,120,000 tons of wheat will be needed during the current crop year to meet domestic requirements. Of this, 260 thousand is expected to be durum wheat, 1.15 million quality wheat, and 710 thousand filler wheat. No imports of rye are planned this year.

Requirements of imported feed and industrial grains are officially placed at 2,995,000 tons. Some 515 thousand tons of this total is to be brewing barley, including malt, 445 thousand will be other industrial grains, and the remaining 2,035,000 tons will be feed grains.

It is also expected that 450 thousand hogs will be imported, 110 thousand tons of beef cattle, 34,400 tons of offals and 17,000 tons of fat bellies.

The large domestic apple crop means that the outlook for imports of Canadian apples into West Germany this year is not favourable. Neighbouring countries, the traditional suppliers, are reported to have good crops in contrast to the subnormal yields of last year.

West German imports of canned fruits and vegetables will also be smaller because of this year's increased domestic production. It seems probable that import quotas established by the Government will be smaller than those of the 1957/58 season. •

Trucking Industry Plays Major Role

THE important part played by the trucking industry in the United States, not only in the field of transport but also in the economy of the country as a whole, is strikingly brought to one's attention by the Automobile Manufacturers' Association in the 1958 *Motor Truck Facts.*

Here are some of the pertinent points:

1. In terms of tonnage transported, more goods are hauled by motor truck than by any other medium of transportation.

2. There were 10.9 million motor trucks registered in the United States in 1957.

3. One out of every five trucks produced in the United States in 1957 was exported.

4. Motor trucks made up 16 per cent of the motor vehicles in use.

5. One hundred per cent of all live poultry and 85 per cent of all livestock arrived at major markets by truck in 1957.

6. Employment in manufacturing, distribution, servicing and use of motor trucks is 7.2 million.

The impact and the growth of the trucking industry is further illustrated by the production figures. There were 1,103,343 motor truck factory sales in 1957, not quite up to the record figure of 1951—1,417,368. Sales in the domestic market totalled 852,541 units, and exports 211,971.

In 1957, the South American markets continued to offer the best field for U.S. exports, taking a total of 88,409 (27,148 went to Brazil, 24,505 to the Argentine, and 16,129 to Venezuela). The North American market followed with a total of 39,468; Mexico bought 21,525, followed by Canada with 6,535. Exports to Asia reached 35,417; the leading buyers were India, Indonesia, Philippines, Iran, Saudi Arabia and Israel. Africa took 20,803, with 12,409 going to the Union of South Africa, 3,602 to the Belgian Congo and 1,275 to Angola. Europe imported 8,666: some 3,609 went to Belgium-Luxembourg, 1,294 to Denmark, and 790 to the United Kingdom.

World production of motor trucks in 1957 reached 2,401,161 units; 46 per cent were produced in the United States. Other principal producers were the U.S.S.R., 371,600; the United Kingdom, 280,624; West Germany, 166,505; Japan, 116,335; and Canada, 70,344.

—M. J. VECHSLER,
Consul and Trade Commissioner, Detroit,

Communist and Non-Communist - - a Trading Picture

Trade between the Free World and the Sino-Soviet bloc rose steadily between 1952 and 1957. This analysis, which deals particularly with flow of goods between the U.S.S.R. plus other Eastern European countries and the West, points out some interesting trends.

M. O. A. KRUPKA, *Area Trade Officer, Europe.*

IN the last two years the Soviet Union has started to publish statistics on her economy and it has become easier to piece together a more reliable picture of her production and of her foreign trade. About the same time, the Eastern European countries belonging to the Soviet bloc began releasing an increasingly larger amount of information on their own economic activities. In reviewing trade developments between the non-Communist countries and the Sino-Soviet bloc,* we can rely on more material than we had several years ago.

This new statistical material published by Soviet sources and the figures which are released by the Eastern European "people's democracies" are finding their way into Western economic periodicals and appear occasionally in publications of the United Nations, such as the *Economic Bulletin for Europe,* without comment or assessment of their accuracy. They are being used in the same way in this article.

What does this material reveal? First of all, it shows that from 1952 on, trade between the free countries and the bloc has grown steadily. From a turnover of $3,072 million in 1952 it reached in 1957 $6,279 million. This appears to be an impressive figure, yet in the light of world trade it is still not very high. In fact, exports of the bloc countries to the non-Communist world, amounting to $3,193 million in 1957, represented less than 3 per cent of total world trade.

Another fact derived from the study of the statistics is that trade between Western and Eastern Europe alone (including Soviet Russia) makes up the largest part of the over-all trade between the Communist and non-Communist world and totalled $3,800.3 million in 1957. Next in importance is the trade of the Soviet bloc with the under-developed countries which in 1957 reached some $1,500 million. Of this amount $750 million represented trade with the Far East, $540 million trade with Africa and the Near East, and some $200 million trade with the developing countries of Latin America.

To examine the pattern and the trend of East-West trade we may turn to Europe, as it offers a good example for our study.

Commodity Composition of Trade

During the period under review—between 1952 and 1957—Soviet Russia's trade with Western Europe followed a different line from that of the Eastern European bloc countries. Although the volume of trade between East and West Europe has doubled in the last five years, the rate of increase achieved by Soviet Russia alone was twice that achieved by the remaining bloc countries. Over three-fourths of U.S.S.R. exports in 1957 consisted of industrial materials, of which petroleum, timber, coal and base metals contributed most to the increase between 1952 and 1957. Food exports, on the other hand, declined steadily and in 1957 were only half the 1952 figure. Manufactures also played an unimportant role in Soviet exports to Western Europe.

The export pattern of other bloc countries presented a different picture. Only 44 per cent of their exports in 1957 consisted of industrial materials. Exports of coal—the most important commodity in this group—stagnated, and larger exports of forestry products, petroleum and base metals were not sufficient to maintain the share of industrial materials in shipments to Western Europe. The share of food in total exports also declined. On the other hand, sales of machinery and transport equipment rose steadily and those of textiles and clothing went up rapidly.

Differences in Export Pattern

What are the probable reasons for this difference between the export performance of the Soviet Union and the other bloc countries? The first one is Soviet Russia's

*The Sino-Soviet bloc comprises the following countries: (1) in Europe—Albania, Bulgaria, Czechoslovakia, Soviet Zone of Germany, Hungary, Poland, Rumania, and the Soviet Union; (2) in Asia—Mainland China, Tibet, Outer Mongolia, North Korea, North Vietnam.

SOVIET BLOC TRADE WITH WESTERN EUROPE

Commodity	Exports from Western Europe to Soviet Union 1952	Exports from Western Europe to Soviet Union 1957	Exports from Western Europe to Other Bloc Countries 1952	Exports from Western Europe to Other Bloc Countries 1957	Imports into Western Europe from Soviet Union 1952	Imports into Western Europe from Soviet Union 1957	Imports into Western Europe from Other Bloc Countries 1952	Imports into Western Europe from Other Bloc Countries 1957
	(in millions of U.S. dollars)							
Food, beverages, tobacco	25	81	54	173	249	132	188	193
Raw materials and semi-finished articles	61	204	185	329	125	652	284	421
of which:								
Coal, coke briquettes					17	74	178	171
Petroleum and products					10	170	14	52
Iron and steel	13	90	58	141	10	73	3	34
Non-ferrous metals	2	52	7	12		40		11
Manufactured articles	159	315	212	323	7	47	101	275
of which:								
Textiles and clothing	14	22	17	41	2	2	24	51
Chemicals	6	18	40	93	4	10	16	53
Glass and pottery							17	23
Machinery	53	140	137	143		16	26	102
Transport equipment	45	95	14	26				
of which:								
Ships	45	86	2	7				

supply potential for industrial materials—and Western European demand for these is expanding. Another is her flexibility in shifting export emphasis to a different commodity when the demand in one line weakens. Furthermore, Soviet Russia is able to draw on her gold supplies. Between 1956 and 1957 alone, Soviet exports of gold rose from $150 million to $260 million. By contrast, the other bloc countries have a much smaller range of exportable surpluses of raw materials. In addition, their system of foreign trade makes a quick adaptation to changes in demand difficult and a rapid growth of their exports of manufactured consumer goods nearly impossible.

Major differences apply also in the field of imports. Between 1952 and 1957 Soviet Russia increased her purchases of machinery, ships, steel and copper from Western Europe considerably and cut down on imports of manufactured consumer goods and foods. The other bloc countries, by contrast, went in for larger purchases of agricultural products such as food, timber and textile fibres, and to a lesser degree of manufactured goods, steel and transport equipment.

The table above illustrates this pattern of trade.

Compared with increases in other export lines, Russian sales of non-ferrous metals reached very large proportions in 1957. Sales of tin went up from 2,000 tons in 1956 to almost 12,000 in 1957 and are expected to total even more this year. No less substantial were sales of zinc—72,200 tons in 1957 compared with 50,900 in 1956. Quite large also were sales of Russian aluminum in the British market. Although very limited in 1956, they reached a total of 16,000 tons in 1957. The Soviet Union has now agreed to limit her shipments of aluminum to Britain to 16,000 tons.

Considerably higher also were Soviet asbestos shipments to many West European markets.

TRADE OF WESTERN EUROPEAN COUNTRIES WITH THE SOVIET UNION AND THE BLOC COUNTRIES

(in millions of U.S. dollars)

Exports from:	to Soviet Union 1956	to Soviet Union 1957	to Other Bloc Countries 1956	to Other Bloc Countries 1957
West Germany	68.8	59.6	318.0	378.3
Finland	148.5	163.0	55.5	72.3
United Kingdom	156.5	145.0	60.5	72.1
Austria	13.9	27.4	96.2	108.0
France	39.2	44.7	69.0	73.3
Yugoslavia	42.2	48.9	31.7	55.9
Belgium and Luxembourg	31.7	28.2	46.5	38.0
Italy	26.7	42.4	42.5	56.7
Sweden	26.5	21.6	42.3	57.6
Turkey	6.6	5.5	53.3	58.0

Imports into:	from Soviet Union 1956	from Soviet Union 1957	from Other Bloc Countries 1956	from Other Bloc Countries 1957
West Germany	52.6	97.1	315.2	346.4
United Kingdom	154.3	197.8	122.9	108.5
Finland	109.5	157.3	107.4	114.9
France	65.4	66.1	49.6	67.3
Yugoslavia	70.5	69.0	34.5	73.4
Sweden	42.2	37.1	65.7	43.6
Austria	7.2	21.4	85.8	93.7
Netherlands	42.2	39.5	50.9	37.9
Italy	22.6	51.3	51.8	56.7
Belgium and Luxembourg	35.8	34.9	30.7	30.4

Among the European countries, Yugoslavia, Austria and Finland continued to increase their trade with Eastern Europe and the Soviet Union. So did Italy. A notable slowdown was recorded in exports to the

Soviet Union in 1957 by West Germany, Britain, Sweden, Belgium and Luxembourg. West Germany and the United Kingdom imported considerably more from the Soviet Union in 1957. Soviet Russia alone played a predominant role both in her share in East-West trade and in trade expansion.

Prospects and Problems

The import demand in Western Europe for such important Eastern European commodities as coal, timber, and iron and steel started falling off significantly in the last quarter of 1957. Available figures for 1958 show that this trend has not been checked. Soviet Russia's trade, for example, with Austria, Britain, the Scandinavian and Benelux countries, and with Japan declined considerably. The only exception is France, where the level of trade with the Soviet bloc was well maintained. In Western Germany, prospects for trade with the Soviet Union remain uncertain. Although the long-term agreement between the two countries anticipates a considerable increase in trade and expectations were that each side would be able to ship in 1958 goods worth 425 million D.M., Western Germany will probably not send more than 280 million D.M.—only 30 million D.M. up from the last year. Soviet exports to Western Germany will probably not reach more than 360 million D.M., down from 400 million D.M. last year. German business circles explain the failure of Soviet buying by pointing out Russian preferences for heavy capital goods which must be bought far in advance, with time also allowed for delivery. They also feel that the Soviet concentrates on individual barter deals and that this tends to slow up the flow of trade.

Whatever the reasons for the slackening of trade between Western Europe and the Soviet bloc there are, on the other hand, a number of forces that work in the opposite direction, indicating an upswing in trade. Moreover, the relaxation of Western strategic controls that came into force last August has created trade possibilities for various Western exports to the Soviet bloc. Even so, in view of the tight payments position in the bloc countries, it seems unlikely that imports from Western Europe will increase at the same rate as in 1957. Some shift of trade toward overseas primary exporting countries whose products are increasingly needed by the bloc countries is not impossible. The growing interest of the bloc in the under-developed countries is shown by the rising amount of trade, particularly with those countries where the trend in commodity prices and the difficulty of finding markets in the West have created a favourable situation for the Soviet bloc. Recently they bought large quantities of wool in Uruguay and concluded contracts for delivery of petroleum in several Latin American states at a price below western quotations.

Yet the answer to the question whether a change can be anticipated will probably come soon from Soviet Russia herself. The recently announced Seven Year Plan foresees a steep increase in the production of consumer goods. If the target figures of the plan are to be attained, help from the non-Communist world will be needed. Last June Mr. Khrushchev, in a letter to President Eisenhower, proposed a program of vastly increased trade with the United States—adding, however, that long-term credits would be needed to put it into effect. He also suggested that purchases of machines and equipment from the U.S. should be balanced by increased U.S. imports of Soviet primary materials. Because there would be a time-lag between the delivery of American machinery and the staggered shipments of Soviet primary commodities, American credits would be required. In replying to the proposal, President Eisenhower pointed out that long-term credits would raise complex legal and political questions. He thought that normal commercial credits available to Soviet trade organizations were adequate for a further expansion of trade between Soviet Russia and the United States.

Possibilities for West?

United States businessmen are apparently showing some interest in the Soviet offer and a consortium of 15 American banks may underwrite a bond issue of $500 million, proceeds of which would be made available to the Soviet trading agency Amtorg in New York to pay for non-restricted U.S. goods that Soviet Russia wants to buy. On her part, the Soviet Union concluded an agreement with the Dow Chemical Company for the delivery of 27 million gallons of benzene worth some $13.5 million. The benzene will be sold at a price considerably lower than the current price in the U.S.

In seeking foreign imports needed to implement her production program, the Soviet Union may open up trade possibilities also for Canada. The Soviet proposal to the U.S. mentioned a great variety of goods, such as machinery for the fabrication of synthetic fibres and plastics, refrigerating and air-conditioning equipment, paper and wood-processing machinery, automatic vending machines, chemicals, and medical equipment, textile machinery and consumer goods.

Although it is not known whether the U.S.S.R. would be prepared to purchase these products from Canada, Canadian businessmen should not neglect to explore this opportunity for what it is worth. But we must also bear in mind that because the Soviet Union intends to balance her purchases from the U.S. by shipments of primary commodities, Canada may have to face new competition for her exports of industrial materials. This in turn depends, of course, on whether the proposal for greater trade with the United States materializes in the manner suggested by the Soviet leader. •

General Notes

Australia

TRADE MISSION PLANNED—Australia will send a trade mission to the west coast of the United States and Canada early in 1959. The Minister for Trade, in announcing this, said that loss of some of the market for Australian metals in the U.S. and the continued softness of commodity markets generally highlighted the need for Australian exporters to tackle the more highly developed markets. The mission's itinerary will include Honolulu, Vancouver, Seattle, Portland, San Francisco and Los Angeles. It is the first mission of its kind to visit such a highly industrialized area.

With the improvement of shipping services to the west coast of North America, Australian exporters can offer prompt and regular deliveries; they are anxious to increase sales of steel manufactures, hardwood timbers, canned foodstuffs, rubber manufactures, fashion goods, automotive parts, meat and other products—Sydney.

Ceylon

DEVELOPMENT OF FISHERIES—A Can.$51.2 million fisheries development project for Ceylon spread over ten years has been prepared by a Japanese Fisheries survey team of economists, research workers and technicians supplied by the Japanese Government. The team has made the following proposals, among others, for developing Ceylon's fishing industry: more efficient trade practices in fish marketing, more new investment capital, development of deep-sea resources, construction of several harbours in important fishing centres, and establishment of yards for building and maintaining fishing boats.

For deep-sea fishing, the Japanese recommend a fleet of ten tuna boats of 250 tons each, eight 100-ton trawlers and twenty 50-ton trawlers. They also urge the need for ice factories and cold-storage facilities at collection centres, and for efficient distribution. Another recommendation is provision for adequate research and the intensification of culture operations in sea and fresh water. Japan is willing to supply the capital equipment and technical know-how for carrying out this program—Colombo.

Finland

TRADE BALANCE—During July the Finnish foreign trade balance showed a surplus of 8.5 billion marks against 3.6 billion during the same month last year. Exports in July totalled 25.3 billion marks (July 1957, 19.6 billion) and imports reached 16.8 billion (16.0 billion in 1957). Exports from January to July 1958 climbed to 131.1 billion marks, compared with 102.7 billion for the same month in 1957. Corresponding figures for imports were 132 billion and 121 billion marks, respectively—Stockholm.

India

FOUNDRY FORGE PROJECT—The Government of India has signed a contract with Technoexport of Czechoslovakia to set up a factory at Hatia in Bihar; it will make castings and forgings for the heavy machine building plant being erected with the co-operation of the U.S.S.R. Technoexport will prepare a project report and supply machinery and equipment required for the first stage. It will also supervise construction and provide consulting services, including the training of Indian technicians in Czechoslovakia. Initially the plant, which will start to produce in 1962, will have a production capacity of 25,000 tons of grey iron castings a year, 14,000 tons of steel castings, 300 tons of non-ferrous castings, and 13,950 tons of forgings—Bombay.

Ireland

OIL REFINERY—An oil refinery, the first in the Republic of Ireland, is now taking shape at Whitegate, Co. Cork, on the east shore of the harbour about 18 miles from the city of Cork. The estimated cost of the project is about £12 million and it is being financed by three companies—Esso, Caltex and Shell. Capacity will total some two million tons a year, more than enough to supply Ireland's entire needs. Principal products will include jet fuels for aircraft, vaporising oil, gasoline, gas oil, diesel and fuel oils. The plan is to obtain the main supplies of crude oil from the Middle East; these will be transported by supertankers to a new marine terminal.

The Irish Electricity Supply Board is building a power station on the site to supply the energy for pumping the crude oil from the storage tanks into the refinery and the refined oils to the jetty—Dublin.

New Zealand

BREWING PROCESS EARNS DOLLARS—A new continuous fermentation process developed in 1957 by a New Zealand company, Dominion Breweries Limited, is now in full-scale operation in the company's own brewery and in others in New Zealand. The process has also become a dollar-earner: it has been adopted by a large Canadian brewery for use in Canada and the United States and by San Miguel Breweries in Manila—Wellington.

Norway

EXPORT CENTRE IN LONDON—The Norwegian Export Council now has its own centre in London where Norwegian exporters can display their goods to prospective customers. Opened at the beginning of 1958, the centre exhibits furniture, lamps and lamp shades, office machines, sportswear, kitchen utensils, food products and boats. The United Kingdom is by far the most important market for Norwegian goods—Oslo.

HYDRO-ELECTRIC DEVELOPMENT—A delegation from the World Bank is expected to visit Norway this fall to study a hydro-electric development project in the county of Trøndelag, for which application for a World Bank loan will be made. The project, estimated to cost Kr.160 million, involves building two power stations in northern Trøndelag—one of 23,000 kilowatts and another of 145 thousand kilowatts—Oslo.

Philippines

NEW CURRENCY REGULATIONS—According to recently-amended regulations of the Philippine Central Bank, visitors must, on entering the country, fill out a currency declaration. The declaration is to be presented at the pier or airport of entry to agents of the Central Bank who will stamp and return it; the visitor must keep his declaration until he leaves. He may carry the foreign exchange and other currency he has declared, but to get local currency, he must sell U.S. dollars only to tellers of the Central Bank at the piers and airport or to authorized commercial banks. When he leaves the country the visitor will surrender his declaration to the Central Bank agents, accompanied by bank receipts covering the conversion of U.S. dollars into pesos during his stay.

Spain

FIRST ATOMIC POWER STATION—Spain plans to build its first atomic power station at Santa María de Garoña, Burgos. The station will consist of two plants, each producing 250 thousand kwh. Development will be undertaken by Centrales Nucleares del Norte of Bilbao, at an estimated cost of 3,200 million pesetas, contributed by the companies Iberduero and Electra del Viesgo. Work on roadbuilding and land-levelling has begun and the target date for completing the station is 1965. It will supply electricity to the provinces of Vizcaya, Navarra, Guipúzcoa, Santander and Burgos. Some 1,800 million pesetas worth of machinery will have to be imported —Madrid.

Switzerland

CONSUMER TAXES REDUCED—A Swiss sales tax of 2-2½ per cent was abolished on January 1, 1959. It had applied to some imported and locally-made products such as soft drinks, certain soaps and washing powders, any kind of fuel, certain agricultural auxiliaries, plants and flowers, pharmaceuticals and books. In addition, the luxury tax on furs, films, cosmetics, sparkling wines, jewellery, radio sets, etc., was completely abolished—Berne.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often, Canadian businessmen fail to take full advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.

Pakistan in Sialkot skilled craftsmen make

Sports Equipment for Export

Both Canadian importers and exporters might profit from a look at this Pakistani industry: its members would like to sell us more of their low-priced sports goods, and some are interested in buying Canadian woods.

JOHN D. BLACKWOOD,
Assistant Commercial Secretary, Karachi.

SPORTS equipment is one of Pakistan's most important handicraft industries. Among the country's manufactured goods sold abroad, sports goods rank second only to textile products and last year earned more than $2.7 million in foreign exchange. The industry is centralized in Sialkot, a small West Pakistan city situated within sight of the mountains of Kashmir. Most of Sialkot's 700-odd sports goods manufacturers are small units. Work is organized primarily on a cottage-industry basis and traditional skills are handed down from father to son. The visitor to Sialkot can see all kinds of sports equipment being made in every conceivable location—in small shops, in tiny bazaar stalls, in homes, and even outdoors by the roadside. Some firms operate small factories, but modern labour-saving machinery has not been adopted because of the low price of labour (a skilled craftsman may earn only 50 cents a day). A few power saws are the only indication of the industrial revolution.

Partition of the Indian sub-continent in 1957 seriously dislocated Sialkot industries because the financiers and exporters, who were mostly non-Muslims, migrated to India, leaving behind only the Muslim craftsmen. The Government of Pakistan has encouraged the rapid revival of the industry and production now has risen 25 per cent above the previous high. An Export Promotion Council for Sports Goods has been set up to establish and maintain standards of quality and packing, to investigate and help settle trade disputes, and to advise both the Government and the manufacturers on problems peculiar to the industry. The council hopes to improve exports by building up confidence in Sialkot manufacturers.

Products and Exports

Because of the British influence on sports in Pakistan in the past, manufacturers have concentrated on supplying equipment for cricket, soccer, field hockey and the racquet games. Sialkot is particularly well-known for racquets and frames for tennis, badminton and squash, and leather covers for soccer, volley, rugby and basketballs. But it also exports cricket bats, balls, gloves and pads, field hockey sticks, badminton birds, boxing gloves and ice hockey gauntlets, polo mallets

and balls, shooting sticks and softballs. The Sialkot exporters realize that some of these lines cannot find any mass market in Canada and they are ready to try new products that will sell in the dollar market.

In 1957, the value of exports totalled roughly Rs.13 million, of which only Rs.426 thousand worth was shipped to Canada. Chief markets are the United Kingdom, which takes about one-third of exports, other Commonwealth countries and the United States. Canadian imports have risen steadily and Pakistani exporters are hopeful of securing a greater share of our market. According to DBS statistics, Canadian imports of sports goods from Pakistan since 1955 are as follows:

CANADIAN IMPORTS OF PAKISTANI SPORTING GOODS
(in Canadian dollars)

	1955	1956	1957	1958 (five mos.)
Manufactures of rubber		193	672	
Badminton birds	77	1,802	1,471	
Walking sticks and canes	1,055	560	473	479
Racquets, frames and bats	28,588	44,210	47,263	28,373
Balls for sports	8,335	4,651	6,121	4,231
Regalia and badges	1,811	6,489	4,681	2,047
	39,866	57,905	60,681	35,130

Some Materials Imported

Pakistan's sports-goods industry does not offer much scope for Canadian suppliers; almost all the raw materials needed are found at home. However, there is a small market for threads, tape, rubber, nickel anodes and nylon gut. The larger manufacturers are interested in importing specialty woods to improve quality and to make possible new products such as ice hockey sticks. Several have expressed an interest in finding Canadian suppliers of such woods as ash, hickory, maple, birch and beech. Files and rasps are the chief hand tools imported. Even the simplest power tools are rarely used. Under Pakistan's export incentive scheme, Sialkot manufacturers receive extra import licences over and above their normal quotas as a percentage of their export performance. This policy is encouraging them to expand their overseas sales in order to obtain materials for new and improved products.

Sialkot is also the centre for producers of metal surgical instruments (scissors, forceps, tweezers, etc.), brass band instruments, and other metal-working trades. Another interesting product made here is badges and regalia. When I visited the showroom of one Sialkot firm I was shown a display of more than one hundred badges and crests of Canadian organizations, ranging from regiments of our armed forces to school groups. Canadian exporters and importers should keep Sialkot in mind as a small but expanding market and as a source of competitively-priced handicraft products. ●

Free Zones for Netherlands Antilles

THE basic structure of the proposed free zones for the islands of Curaçao and Aruba was discussed in the April 12, 1958, issue of *Foreign Trade*. In Aruba, plans for developing a free zone are currently inactive, but the islanders hope to pursue the project in the near future. Curaçao, on the other hand, is plunging ahead, though with some uncertainty about the free zone's contribution to the island's economy. This attitude results in some measure from the difficulties in finding markets (Venezuela poses problems because of a 30 per cent surcharge on imports from the Netherlands Antilles and from certain other sources, not including Canada) and the fact that the plan will not offer major opportunities to local labour. In spite of this, however, the free zone will shortly become a reality.

The first warehouse in a fenced-off free zone has been completed and its entire space booked by a Dutch paint manufacturer. Construction of a second warehouse has begun and it should be ready to use in a few months. There are also immediate plans for an office building within the free zone. Applications for participation in the zone have been received from organizations in Germany, the Netherlands and the United States. These firms are interested in a base for handling radio parts, pharmaceuticals, steel pipes, parts for dredging units, and auto parts. In most cases, they will only store and package goods.

It may be significant that foreign interest has been aroused before the launching of any active publicity campaign, but a campaign is scheduled. The organizers appear reasonably confident that this project will ultimately prove successful. The free zone offers liberal tax concessions and, in the case of manufacturing industries established in the area, a ten-year exemption from all taxes. The island of Curaçao offers other advantages to the participant: good shipping and air connections, relatively high per capita purchasing power of islanders, stable political environment, natural deep-water harbour, strategic location with regard to Caribbean markets, bunkering facilities, an outlet for tourist goods, and readily convertible currency.

Any Canadian firm interested in any aspect of the free zone should communicate with the Curaçao Bureau of Economic Affairs, Scharlooweg 106A, Willemstad, Curaçao, Netherlands Antilles, or with this Embassy. Details of regulations will be readily provided and any specific problem discussed.

—R. D. SIRRS,
Assistant Commercial Secretary, Caracas.

United States Amends Tariff Act

to help its own exporters. Enterprising firms here may find they benefit too, if they supply materials for or components of a U.S. product eventually sold abroad.

WM. JONES, *Commercial Secretary, Washington.*

THE United States Congress at its last session passed two Public Laws designed to benefit United States exporters. The two are in reality amendments to the United States Tariff Act and are intended primarily to help U.S. manufacturers to become more competitive in the export market. But the enterprising Canadian exporter may find that the application of these amendments will help him to step up his sales to manufacturing exporters in the United States.

"Substitution for Drawback"

One of these laws broadens the "substitution for drawback" section of the U.S. Tariff Act. As this section is now reworded, it permits a U.S. manufacturer to claim a refund of United States customs duties paid on any imported products to the extent that these or similar products have been used in merchandise later exported. (Previously this substitution for drawback applied only to a small list of materials.) The manufacturer may take advantage of this provision only within three years of receipt of the imported merchandise by the manufacturer.

One way of looking at this provision is that a U.S. manufacturer expecting to export a certain portion of his production may now discount the laid-down, duty-paid value of a component or raw material imported from Canada. In effect, for the purpose of purchasing, the price of the product imported from Canada may in some cases be reduced to an average price competitive with that of his domestic supplier. This, of course, assumes that the article available from Canada is identical with the other supplies that he uses and can be incorporated into his normal inventory without the need to distinguish it from the one made domestically.

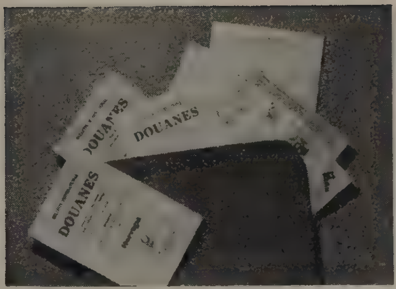
This simplification makes it more likely that the large United States manufacturing exporters who have in the past avoided buying from Canadians because of the problem of distinguishing between imported and domestic merchandise for purposes of the duty refund will reconsider their stand. Under the old system, in those cases where no substitution was allowed, the administrative problems involved in obtaining a drawback of duty on materials incorporated into an export product were so complicated and costly that most U.S. manufacturers did not wish to deal with them.

Free Import under Bond

The second Public Law passed at the last session of importance to traders both in the U.S. and Canada broadens the provisions for free import under bond of articles that, after processing, result in products considered to be produced in and exported from the United States. Previously, even if the imported article was to be incorporated into a U.S. product, entry under bond in anticipation of export was not allowed. This entry under bond was restricted to articles entered only for repair, alteration or processing, and often it proved difficult to determine the extent to which these operations could be undertaken before they resulted in an article produced in the United States.

Canadian Exporters Advised

Canadian exporters who wish to persuade U.S. firms to take advantage of these new customs provisions can do this best by bringing them to the attention of potential U.S. importers and relating them directly to the amount of duty that would be payable normally on the products they have to offer. In each case, it would be wise for the Canadian firm and the United States importer to consult a U.S. customs broker before arranging for sales that take advantage of these provisions. The reason is that these sections may be interpreted by the Customs authorities, using past precedents, as applying in a manner not absolutely clear from the wording of the provisions. Some cities have specialists known as "drawback brokers" who are, in most cases, prepared to handle all the paperwork involved in obtaining a drawback from the Bureau of Customs. ●



Trade and Tariff Regulations

Australia

IMPORT CONTROLS—Changes in import licensing regulations, effective December 1, 1958, have been issued by the Australian Department of Trade. The following items have been added to the list of goods which are exempt from import licensing from all countries:

Item	
334(A)	Pulp, for paper manufacturing
334(B)	Paper shavings and waste paper for manufacturing paper
422(C)	Chrome ore
445	Raw silk
ex Unspecified	Raw quartz crystal

The following items will be licensed on a world basis under administrative control, (Adm (W)). Applications for licences for goods in this category are considered individually on their own merits by the Australian Department of Trade without reference to the origin of the goods.

Bank A.51	Covered cable and covered wire dutiable under tariff items 181(A)(1)(a) and 181(B); mineral insulated copper covered cable and accessories for such cables and thermo couple leads.
Bank C.8	Materials for use in the manufacture of tires, tubes and belting.
Bank C.11	Natural and synthetic rubber classifiable under tariff item 330(A) and rubber substitutes, other than for use in the manufacture of tires, tubes and belting.
Bank C.24	Silicones.
Bank C.25	Laboratory chemicals for approved importing houses.
Bank C.26	Chemicals for industrial and agricultural uses.
Bank C.27	Chemicals and drugs for use in the manufacture of medicinal products.
ex 181(C)	Carbon manufactures other than graphite electrodes.
ex 229(F)(1)	Kardi (safflower) seed oil.
Bank B.10	Components (excluding tires, tubes and chains) for the manufacture of fork-lift trucks and mobile cranes.

A complete summary of the Australian import controls applicable to Canadian products may be obtained from the International Trade Relations Branch, Ottawa.

Chile

PESO DEVALUED—On December 12, following suspension of exchange operations since November 28, the Chilean Central Bank established new banking free exchange rates with a mid rate of 990 pesos to US$1.00. This devaluation of 18 per cent results from Chile's serious balance-of-payments difficulties.

The new banking rate applies equally to imports from all countries. Permissible imports from Canada and all other countries remain subject to advance deposits of from 5 to 5,000 per cent of the C.I.F. value.

Further information will be available shortly from the International Trade Relations Branch of the Department.

Ceylon

IMPORT RESTRICTIONS—The Government of Ceylon has announced that, effective November 7, 1958, licences will be issued at the discretion of the Controller of Imports and Exports for the import of the following goods produced or manufactured in the dollar area: beer, ale, porter and all other malt liquors; spirits: whisky; confectionery; toys and parlour games (other than toys made of wood, clay or rubber and rubber balloons).

During the past several years no licences have been issued for imports of these items from the dollar area, with the exception of token imports of whisky.

Canadian firms interested in establishing markets in Ceylon for the above items should contact Mr. W. R. Van, Canadian Commercial Secretary, P.O. Box 1006, Colombo, Ceylon. Mr. Van has advised that he has received representations from a local firm in Colombo interested in importing toys from Canada.

Federation of Malaya

DOLLAR IMPORTS RELAXED—The Ministers of Commerce and Industry of Malaya and Singapore announced on December 10th and 12th, respectively, that import restrictions on 23 categories of goods from the dollar area would be removed on January 1, 1959. In making this announcement, the Malayan Minister

said he was convinced that a liberal policy in matters of trade serves Malaya's own interest and that of the world at large. He also stated that, "This policy of liberalizing dollar imports whenever possible will be continued, and suitable action will be taken from time to time as opportunity offers and as circumstances permit."

The following are the 23 categories for which licences will be freely issued for direct import from the dollar area into Malaya and Singapore: trucks (lorries and parts); boats; plastic products, such as laminated sheeting; milk preparations; cotton and synthetic clothing, including shirts and pyjamas, synthetic fabrics; mining machinery; calcium carbide; germicides and pesticides; aluminum semi-fabrications; paper products, including toilet tissues; power-operated saws; marine outboard motors; piping; flooring; mechanical rubber goods; agricultural machinery; typewriters; paint products and pigments; disinfectants; medical preparations; steel and steel products; and truck and bus tires.

What is the significance of this to Canadian exporters? In 1957, Canadians exported M$5.6 million (Can.$1.9 million) to Singapore and Malaya via Hong Kong. For the first nine months of 1958, imports from Canada via Hong Kong amounted to M$3.1 million (Can.$1.04 million). Total exports from Canada direct to Malaya and Singapore in 1957 reached M$16.6 million (Can.$5.5 million), and in nine months of 1958, M$10.9 million (Can.$3.6 million). The business done via Hong Kong added about 3 to 8 per cent to the landed costs of the goods in Singapore because of the necessary redocumentation and purchase of exchange. For the above range of goods, this will no longer be necessary because direct exchange will be made available for direct imports. Those Canadian exporters who are developing markets in Malaya and Singapore will now be better able to compete with other foreign suppliers. Those who were precluded from doing business because of costs may now find that their prices are competitive.

The office of the Canadian Government Trade Commissioner in Singapore will be pleased to assist Canadian firms to take advantage of this relaxation in Malayan controls and inquiries are invited—Singapore.

Fiji

IMPORT LICENSING ANNOUNCEMENT—The Commerce and Industries Officer, Fiji, has announced that, effective January 1, 1959, a General Import Licence will be issued for the import of a wide range of goods from Canada and the American Account countries.

Among the goods which may be imported freely are specified types of food products, crude materials, mineral fuels, lubricants and related materials, machinery and transport equipment, and manufactured articles.

It was also announced that licences will be issued for the import of an additional list of goods from the dollar area. The Fiji authorities feel that these goods have little general interest in the Colony and are not expected to be required from the dollar area, except by those who have specialized needs.

All imports not included in either of the above categories will be a charge upon a very limited dollar allocation.

Details concerning licensing treatment to be accorded to specific commodities may be obtained from the International Trade Relations Branch.

Philippines

TARIFF INCREASES ON UNITED STATES GOODS—United States goods imported into the Philippines are entitled to preferential tariff treatment. For the last few years, U.S. goods have had to pay only one-quarter of the rates of duty specified in the Philippine Tariff.

As of January 1, 1959, under the terms of the United States-Philippines Treaty, goods imported from the U.S. will be required to pay duty on the basis of one-half of the rates of duty specified in the tariff.

Goods from all other countries, including Canada, will continue to be subject to the rates set forth in the tariff.

United Kingdom

COMMONWEALTH PREFERENCE REGULATIONS—The United Kingdom has published a new edition of Customs Notice No. 27A outlining the Commonwealth Preference Regulations which will come into effect in that country concurrently with the new Brussels Nomenclature Tariff on January 1, 1959. This edition replaces all earlier editions of the Notice.

The new Notice, which is based on the Commonwealth Preference Regulations, 1958, reproduces, in effect, the current Imperial Preference Regulations in laying down the conditions for eligibility for Commonwealth Preference but takes into account the changes that have taken place in the status of countries within the Commonwealth Preference area. The Commonwealth Preference area is defined as including the members of the Commonwealth and their dependencies, the Republic of Ireland and Burma.

The current text of the forms of certificates of origin has been redrafted to conform with these changes. The old forms of certificates of origin will continue to be accepted for the time being if otherwise satisfactory.

The new regulations include a provision for the delivery of imported goods under guarantee, as well as under bond or on deposit of duty, where the title of preference is incomplete or unsatisfactory.

A copy of the new United Kingdom Customs Notice No. 27A may be obtained on request from the International Trade Relations Branch of the Department.

United States

PUBLIC LAWS ENACTED—P.L. 85-808, effective August 28, 1958, provides that unmanufactured mica classified under tariff paragraph 208(a) is now dutiable at 4 cents per pound, regardless of its value; and all mica films and splittings, not cut or stamped to dimensions, regardless of thickness, are now transferred to the duty free list under paragraph 1821.

P.L. 85-645, effective September 15, 1958, defines the term "rayon and other synthetic textiles" to confirm the existing practice of classifying such man-made non-cellulosic fibres, filaments, and fibrous structures thereof, such as nylon, perlon, dacron, and so forth, under schedule 13 of the U.S. Tariff Act. There are four exceptions to this rule, in that nylon monofilament fishing line, nylon surgical sutures, nylon tennis racket strings and nylon brush bristles will continue to be classified under the similitude provisions of the Tariff Act.

United States

NEW MARKING RULE—The United States Bureau of Customs has ruled that, as from January 1, 1959, where an article is sold in a sealed container, the container, as well as the article itself, must be marked to indicate the name of the country of origin of the article unless the article is exempted from the marking requirements of the U.S. Tariff Act. Where the containers are normally opened before the goods reach the ultimate purchaser it will still only be necessary to mark the goods themselves. If the outermost container is of a transparent material, such as cellophane or plastic, and the marking of the name of the country of origin on the article is clearly legible through the container, the container need not be marked.

Venezuela

HIGHER DUTIES FOR TOMATO SAUCES—Import duty on tomato sauce has been raised from two bolivars (US$.60) per kilogram to five bolivars (US-$1.49) per kilogram by a joint resolution passed by the Venezuelan Ministries of Finance and Development. This measure, which was taken to bolster the local tomato sauce industry, will come into effect on December 8, 1958—Caracas.

TARIFF ON IMPORTED SARDINES—The Ministries of Finance and Development have passed a joint resolution whereby a new tariff classification has been assigned to imported sardines and, simultaneously, the import duty has been raised to eight bolivars (US$2.39) per kilogram. Effective November 30, 1958, sardines will be imported under tariff classification N° 3 Bis which reads, "Sardines in any form—Bs. 8 per kg.". Previously sardines were classified under tariff numbers 2c) and 3i) and paid a duty of only two bolivars (US$.60) per kilogram—Caracas.

Trade Commissioner on Tour

The following officer of the Trade Commissioner Service is on tour in Canada. His itinerary is:

C. M. FORSYTH-SMITH, Trade Commissioner in Hong Kong:

Winnipeg—Jan. 5-6 Vancouver—Jan. 8-21

When he completes his tour Mr. Forsyth-Smith will return to his post in Hong Kong.

Businessmen who wish to see this officer should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Tours of Territory

M. P. CARSON, Trade Commissioner in Singapore, leaves his post on January 6 for a ten-day visit to Rangoon, Burma. Businessmen writing to Mr. Carson at Singapore should also send copies of their letters, marked hold for arrival, to him c/o British Embassy, Rangoon.

B. C. STEERS, Assistant Trade Commissioner in Singapore, will visit Bangkok, Thailand, from February 1-13.

Businessmen who would like these officers to undertake assignments should get in touch with them at Singapore as soon as possible.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.03627.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent December 18	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Official	.05361	18.65	(1)
		Free	.01498	66.76	
Austria	Schilling		.03712	26.94	
Australia	Pound		2.1658	.4617	
Bahamas	Pound		2.7072	.3694	
Belgium, Belgian Empire and Luxembourg	Franc		.01937	51.63	
Bermuda	Pound		2.7072	.3694	
Bolivia	Boliviano	Free	†	†	
British Guiana	Dollar		.5640	1.77	
British Honduras	Dollar		.6768	1.48	
Brazil	Cruzeiro	General Category*	.005114	195.53	*Nov. 26 (2)
		Special Category*	.002994	334.01	
		Official Selling	.05255	19.03	(3)
Burma	Kyat		.2027	4.93	
Ceylon	Rupee		.2030	4.93	
Chile	Peso	Free	.0009728	1002.80	(4)
Colombia	Peso	Certificate	.1508	6.63	
Costa Rica	Colon	Official	.1719	5.82	
		Controlled free	.1453	6.88	
Cuba	Peso		.9650	1.03627	tax 2%
Czechoslovakia	Koruna		.1340	7.46	
Denmark	Krone		.1397	7.16	
Dominican Republic	Peso		.9650	1.03627	
Ecuador	Sucre	Official	.06434	15.54	
		Free	.05799	17.24	
Egyptian Region, United Arab Rep.	Pound	Official	2.7711	.3609	
	"	Export account selling	2.0275	.4932	
El Salvador	Colon		.3860	2.59	
Fiji	Pound		2.4389	.4100	
Finland	Markka		.003016	331.56	
France, Monaco and North Africa	Franc		.002298	435.16	(5)
French colonies in Africa	Franc		.004596	217.58	(6)
French Pacific	Franc		.01264	79.11	(7)
Germany	D Mark		.2308	4.33	
Ghana	Pound		2.7072	.3694	
Greece	Drachma		.03216	31.09	
Guatemala	Quetzal		.9650	1.03627	
Haiti	Gourde		.1930	5.18	
Honduras	Lempira		.4825	2.07	
Hong Kong	Dollar	Free*	.1669	5.99	*Dec. 15
		Official	.1692	5.91	
Iceland	Krona	Official	.05925	16.88	(8)
India	Rupee		.2030	4.93	
Indonesia	Rupiah	Effective buying	.03187	31.38	*Nov. 30 (8)
		Effective selling	.02550	39.22	
Iran	Rial	Certificate	.01274	78.50	

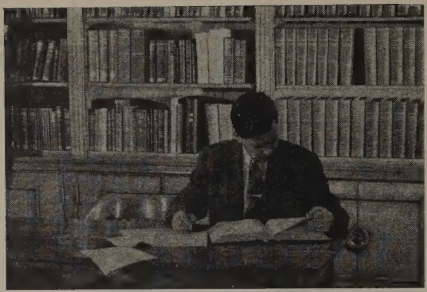
*Latest available quotation date. †Not available.

Country	Unit	Type of Exchange	Can. dollar equivalent December 18	Units per Canadian dollar	Notes (see below)
Iraq	Dinar		2.7020	.3701	
Ireland	Pound		2.7072	.3694	
Israel	Pound		.5361	1.87	
Italy	Lira		.001549	645.58	
Japan	Yen		.002681	372.99	
Lebanon	Pound	Free	.3044	3.29	
Mexico	Peso		.07720	12.95	
Netherlands	Florin		.2559	3.91	
Netherlands Antilles	Florin		.5156	1.94	
New Zealand	Pound		2.7072	.3694	
Nicaragua	Cordoba	Effective buying	.1462	6.84	
		Official selling	.1368	7.31	
Norway	Krone		.1351	7.40	
Pakistan	Rupee		.2030	4.93	
Panama	Balboa		.9650	1.03627	
Paraguay	Guarani	Official	.008694	115.02	
Peru	Sol	Certificate	.03863	25.89	
Philippines	Peso		.4825	2.07	
Portgual & Colonies	Escudo		.03368	29.69	(9)
Singapore and Malaya	Straits dollar		.3158	3.17	
Spain and Dependencies	Peseta	Controlled free	.02298	43.52	(8)
Sweden	Krona		.1865	5.36	
Switzerland	Franc		.2252	4.44	
Syrian Region, United Arab Rep.	Pound	Free	.2695	3.71	
Thailand	Baht	Free	.04615	21.67	(8)
Turkey	Lira		.1072	9.33	
Union of South Africa	Pound		2.7072	.3694	
United Kingdom	Pound		2.7071875	.3693870	
United States	Dollar		.9650	1.03627	
Uruguay	Peso	Free	.09891	10.11	
		Basic buying	.6369	1.57	(8)
		Principal selling	.4587	2.18	
Venezuela	Bolivar		.2881	3.47	
West Indies Fed.	Dollar		.5640	1.77	(10)
	Pound		2.7072	.3694	(11)
Yugoslavia	Dinar		.003216	310.95	(8)

*Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros..
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods.
5. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.



Businessman's Bookshelf

Commercial Letters of Credit

By Clair G. Hugill. 119 pages. $3.95.

TO meet the need for uniformity in international trade, banks in many countries now subscribe to certain regulations designed to govern the handling of documentary credits. Mr. Hugill's book contains the complete list known as *Uniform Customs and Practice for Commercial Documentary Credits Fixed by the Thirteenth Congress of the International Chamber of Commerce.* It is a useful guide for all young bankers, particularly in their initial contact with commercial letters of credit.

At the same time, exporters and importers will find that the book answers many questions about the procedures normally followed in financing export shipments. Various phases of import credits are covered step by step—from the preliminary investigation to the eventual payment of specified documents. Channels of investigation are suggested and the method of minimizing exchange risk is discussed. Export credits are also dealt with comprehensively. Included are a discussion of the original sales contract, preparation and presentation of documents, and the technicalities of assignable or transferable credits.

Order from: C. G. Hugill, Box 1501, Place d'Armes Post Office, Montreal, Quebec.

Terms Used in International Trade and Payments and National Accounts

OEEC. 146 pages. $2.25.

MEMBER countries of the OEEC, which came into being on April 16, 1948, meet continuously in Paris to thresh out common economic problems. For this reason, the numerous special terms used in, and created by, international trade and payments negotiations have of necessity to be defined carefully and translated accurately.

This glossary, in both French and English, is not complete nor is it meant to be: it does not include definitions normally found in standard works of reference. However, it will certainly aid the student of international trade problems, the civil servant engaged in related work, and the businessman interested in foreign markets. It is, of course, particularly useful to the professional translator, called upon to put French economic reports into English or vice-versa.

Compiled primarily for the use of OEEC translators, the terms are indexed separately in French and English. Definitions in each index are given in the other language, so that the ordinary reader not thoroughly conversant with both languages must refer to both indexes before locating the desired definition in his own tongue.

This glossary has been made public "in the hope that it may prove useful to a wider circle of readers, by providing them . . . with the English and French equivalents and with exact definitions which will explain to the uninitiated the accepted meaning of the terms used." The book is well suited to that purpose.

Order from: The Ryerson Press, (OEEC agents in Canada), 299 Queen St. W., Toronto, Ontario.

Fraser's Canadian Trade Directory 1958

Fraser's Trade Directories Ltd., 1,872 pages. $10.00.

"COMPREHENSIVE" is the word that best describes the 45th edition of this well-known guide to Canadian business. It lists 12,500 Canadian manufacturers and their addresses, both alphabetically and by products, and includes a register of trade names and the firms using them. The names and addresses of 12,000 foreign companies and their Canadian representatives are recorded separately. Explanatory material and indexes are short but adequate.

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In fact, the services provided by this one-volume reference book make it indispensable in its field.

Order from: Fraser's Trade Directories Limited, 6833 de l'Epee Ave., Montreal 15, Quebec.

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